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ABSTRACT

The proceedings of the 28th annual Legislative Work Conference of the Southern Regional Education Board are presented. Facts and issues surrounding faculty salaries and compensation are discussed in articles by David Spence and Richard Chait. Among trends to emerge from the articles is the fact that faculty salaries in the South have halved the gap between that region and the rest of the nation in the past five years. Senator Pat Frank (Florida) and Gordon Davies discuss access, quality, and competition in graduate education. The articles stress the need for upgrading the quality and concentrating graduate education in urban centers. The Chairman's Address by Governor Bob Graham of Florida focused on a governor's ability to influence state policy and funding decisions about higher education. Robert Stoltz reported in his paper on teacher education and certification that states should adjust their certification procedures and not rely solely on a test at the end of the teacher education program to improve teacher quality. Robert Berdahl reviewed current state developments and offered suggestions for evaluating state coordination and governance. In articles on governor's perspectives on higher education, George Busbee and Julian Carroll emphasized the importance of goal-setting and the need for state officials to work together to arrest declining national productivity. In a paper on vocational/technical education Gene Bottoms suggested several actions for states to improve this area of their educational programs. A roster of delegates is appended. (Author/PHR)

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Southern Regional Education Board

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Foreword

The higher education issues and challenges facing Southern states and legislatures in 1979 are not signs of terminal problems. Quite to the contrary – we face these conditions today because of the South's tremendous progress. In fact, our problems reflect, with some variations, what is also happening around the nation.

Legislators participating in SREB's 28th annual Legislative Work Conference addressed issues common in nearly every state as well as those receiving special emphasis in the South.

Faculty compensation is on all state legislative agendas. David Spence of the SREB staff provided a number of faculty compensation facts and trends, including the observation that in the past five years the South has cut by one-half the gap between the region's faculty salary averages and those of the nation. Richard Chait of the Institute for Educational Management at Harvard challenged some "conventional wisdom" about personnel motivation. Chait called on legislators to encourage institutions to give greater emphasis to selective, performance-based rewards.

As costs rise and job opportunities for Ph.D.s drop, graduate education is receiving the attention of legislators around the country. The issue in the South, where graduate education has grown more rapidly in the past two decades than in any other region, is complicated by the effects of rapid urban growth and relatively new, expanding universities in these metropolitan centers. Gordon Davies, director of the Virginia Council on Higher Education, proposed that states concentrate, and limit the expansion of, graduate education while upgrading quality. Senator Pat Frank from Florida contended that the urban universities must become major centers of graduate education because they are located where the people are.

How graduate education will develop is only one major policy question facing state coordinating and governing boards. These agencies have now been in place for at least a decade in every Southern state and many states are now taking a look at how their systems are working. Robert Berdahl of the State University of New York at Buffalo reviewed current state developments and offered suggestions for evaluating state coordination and governance.

Teacher education and certification were the most discussed education items in many 1979 Southern legislatures and they promise to be on several more legislative agendas in 1980. Robert Stoltz of Western Carolina University summarized the findings of his recent report for SREB on teacher education and certification. Stoltz called on states to adjust their teacher education-certification "pipelines" at a number of points and not rely solely on a test at the end of the teacher education program to improve teacher quality.

Postsecondary vocational-technical education is a recurring item on Southern legislative agendas, particularly on issues of coordination among the various institutions which provide vocational-technical education. Gene Bottoms, director of the American Vocational Association, suggested several actions for states to improve this phase of their educational program.

Governors, of course, greatly influence state policy and funding decisions about higher education, and legislators heard views of three SREB state governors. Bob Graham of Florida, chairman of SREB, shared views on the legislature's unique responsibilities in state policymaking and ideas about how states may deal with the changing higher education situation in the 1980s. Governor Busbee of Georgia stressed the importance of setting state goals for postsecondary education. Governor Carroll of Kentucky urged legislators, governors, and state education leaders to work together to arrest declining national productivity.

This Conference's discussions, reproduced here in part, reflect SREB's continuing efforts to bring together state political and educational leaders to address higher education issues important to the South.

Winfred L. Godwin
President

Faculty Salaries and Compensation: Facts and Issues

Facts About Faculty Compensation

David S. Spence*

First let's look at some facts about faculty earnings in the South, including salaries and how they differ at the various faculty levels. As central as salaries are to faculty income, it is also necessary to examine faculty earnings from all sources. And for nearly all salaried employees, fringe benefits paid by the employer are increasing. So any examination of faculty income should include information on total compensation, which is the combination of salaries plus fringe benefits.

For faculty, because of certain privileges and the general freedom that reside with the academic profession, there are possibilities for additional *outside* earnings that do not occur generally for most other professionals. This combination of salaries, fringe benefits, and additional earnings comprises *total professional income.*

First, let's look at salaries for faculty on standard 9 to 10 month appointments. One way to describe them is by comparison among the 14 SREB states (see Figure 1). For the public four-year institutions for 1978-79, the regional average salary was $19,440. When all four-year colleges are considered, Maryland, Florida and Virginia are on top.

The comparative position of several states changes, however, when you look at only public universities which award the doctorate. Considering only doctoral institutions, pushes Florida and Maryland down toward the overall regional level of $20,480, and Georgia, Kentucky, North Carolina and Virginia are the top four. So, not only do overall faculty salaries differ from state to state, but also a state that ranks high for one type of institution may rank lower for another. Overall regional and statewide averages may hide these facts.

Faculty salaries also differ for various kinds of institutions. Salaries are highest in the higher ranks – as you would expect – and also they are higher for all ranks in doctoral-granting institutions than in institutions that do not award the doctorate. In comparing salaries at doctoral and non-doctoral institutions, the differences are greatest in the rank of professor. Professors in doctoral institutions earn $4,000 more than professors in other four-year colleges. The difference in the other ranks is less than $2,000.

> ". . .a state [with faculty salaries] that rank high for one type of institution may rank lower for another."

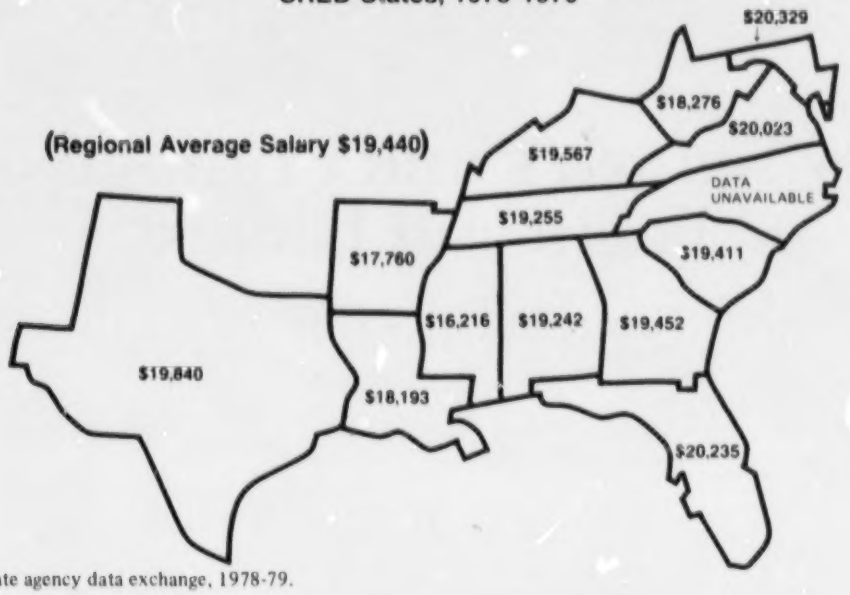
Besides the ranks of faculty and the kind of institution, there is a wide range among salaries in different disciplines or fields of study (see Figure 2). Law, engineering, business, and natural sciences lead the way in being well above the regional average salary for all disciplines. The humanities, foreign languages, and education are well below average. For land-grant universities in the South, the average salary in 1978 was $19,906. Law was nearly 42 percent above the average salary while, at the other end, the humanities were 13 percent below.

Note: The author acknowledges the following publications that were especially useful in considering the total income of faculty: Howard R. Bowen's *Academic Compensation* (1978) and Everett Carll Ladd's *The Economic Position of the American Professoriate* (1977).

**David S. Spence is a research associate with the Southern Regional Education Board.*

FIGURE 1

Average Salaries of All Faculty in Public 4-Year Institutions, SREB States, 1978-1979



Source: SREB-state agency data exchange, 1978-79.

A major reason why faculty salaries follow these patterns across disciplines is found in the proportion of faculty in the highest academic ranks of professor and associate professor. Obviously, the larger the proportion of faculty in these two highest ranks, the higher the average salary for that discipline. As an example, the two highest salaried disciplines, law and engineering, have nearly 80 percent of their faculty as professors or associate professors. The foreign languages and humanities, the lowest paying disciplines, have only 53 percent in the highest ranks. The major reason for a larger percentage of more highly ranked faculty in certain fields relates to the supply of and demand for these kinds of faculty. Promotions and pay raises are likely to be more frequent in fields in which institutions must bid against other institutions and other non-academic occupations for the services of faculty.

The proportion of faculty in each rank is a factor that can result in misleading overall averages when comparing salaries across states or institutions. This year, there was concern in one of our Southern states because the state was very low relative to other states when faculty salaries were compared within each academic rank. However, with all ranks combined into a single average salary, the state stood very high. We soon found that this state had an unusually high number of faculty in the better-paying professor and associate professor ranks – the highest of any state in the region. So the disproportionately large number of faculty in the upper ranks led to the high overall standing, although for any one rank, the faculty salaries in the state were below the regional average.

Another influence on overall faculty salaries continues to be whether the faculty member is a man or woman. Looking at all faculty, the difference in salaries paid to men and women is about $4,000. However, for men and women faculty of the same ranks, the differences are much less; the greatest difference occurs in the rank of professor (see Figure 3). Equal pay for similar competence and performance would lead to similar salaries within ranks, something that is happening as new women faculty in the lower ranks do have salaries more like those of men. This trend may be expected to continue into the highest ranks. The greater difference in the all faculty category comes from the greater proportion of men in the higher, better paying ranks.

David S. Spence

Along with salaries, the next most important part of faculty income is the money paid by employers to support fringe benefits, many of which would be paid by the faculty member were it not for the employer's contribution. In the South, the money paid by the state for Social Security, retirement, health, and disability insurance premiums of faculty in public institutions averages 17.5 percent of faculty base salary, which is the

overall national average as well. The range of fringe benefits across the 14 SREB states is from a low of 15 percent to a high of 22 percent, or about $3,000 on the $19,000 average faculty salary in the South. The growth of fringe benefits for faculty has been great over the past ten years, and from 1978 to 1979, fringe benefits paid by the employer increased from 16.0 to 17.5 percent of base salary. Some of this increase is due to Social Security and other premiums inflating faster than salaries; but some is also due to better benefits and wider coverage.

Fringe benefits may be expected to continue to increase at a greater rate than salary and become a larger part of total compensation. Already we know that under the new legislation, Social Security payments will continue to increase through the early 1980s. Also, fringe benefits are more attractive to faculty, especially now when salary increases are eaten away by the combination of inflation and taxes.

Besides salaries and fringe benefits, there are other important influences on the economic status of faculty. The academic profession is different from most in that it is acknowledged and almost expected that faculty in many disciplines will supplement their basic institutional salary with other income. Since two-thirds of all faculty are employed on an academic year basis, faculty may have to be present only 9 to 10 months of the year. Many earn outside income in the vacation periods and many pursue outside activities during the months they are technically on the full-time payroll. The largest sources of these added earnings are summer teaching, consulting and speaking fees.

Howard Bowen, a Professor of Economics and Education and former university president, has said:

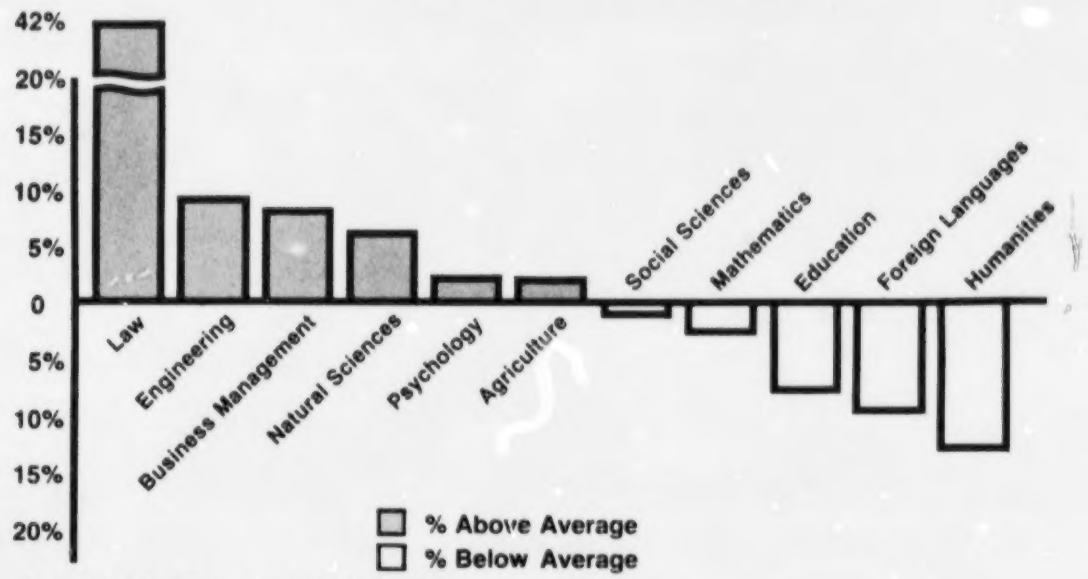
> Faculty members typically are permitted to earn money from outside sources. Some of this income may be earned during time that could be regarded as "overtime" but much of it is earned during time that might be considered as "belonging" to the institutions. There is no secret about this. Indeed, many institutions openly encourage their faculty members to take part in outside remunerative activities on the grounds that these activities enhance the skills and knowledge which faculty members bring to their teaching and that these activities serve society and enhance the prestige of the institution.

Thus, for some faculty, additional earnings may lead to a total professional income that is significantly higher than base salary. Because faculty do have this kind of built-in expectation for additional income, the adequacy of faculty salaries depends to some degree on what kind of faculty earn how much supplemental income.

On the average, faculty members may be expected to make an additional 10 to 15 percent of their basic 9 to 10 month salary. For faculty making $20,000 in salary, this means an extra $2,000 to $3,000. However, the range of earnings varies greatly. Half of all faculty earn less than 10 percent additional income; the other half derives 10 percent or more. But about one-fifth of all faculty earn no extra income, while one-seventh make nearly one-third over and above their base salary for 9 to

FIGURE 2

Comparison of Discipline Salaries, as a Percent of Average Salary for all Disciplines



Note: Data are for land-grant universities in the South.
Source: *Faculty Salary Survey by Discipline, 1977-78;* Oklahoma State University.

10 months. The size of the supplemental earnings differs widely depending on the academic specialty. In general, the more a discipline can be applied to activities outside the college or university, the higher the added income. Thus, faculty in fields such as engineering, business and agriculture supplement their salaries more than faculty in the social sciences, humanities and liberal arts. With some exceptions, the usual pattern is that the faculty who earn higher salaries also tend to earn the highest extra income.

> "Half of all faculty earn less than 10 percent additional income . . . while one-seventh make nearly one-third over and above their base salary. . . ."

This seems logical since both salaries and outside income depend on the supply of faculty in certain fields and on how much they are demanded by both higher education and other economic sectors. In fields in which faculty are in short supply in academic institutions, it is likely that there is a demand for their expertise from outside as well.

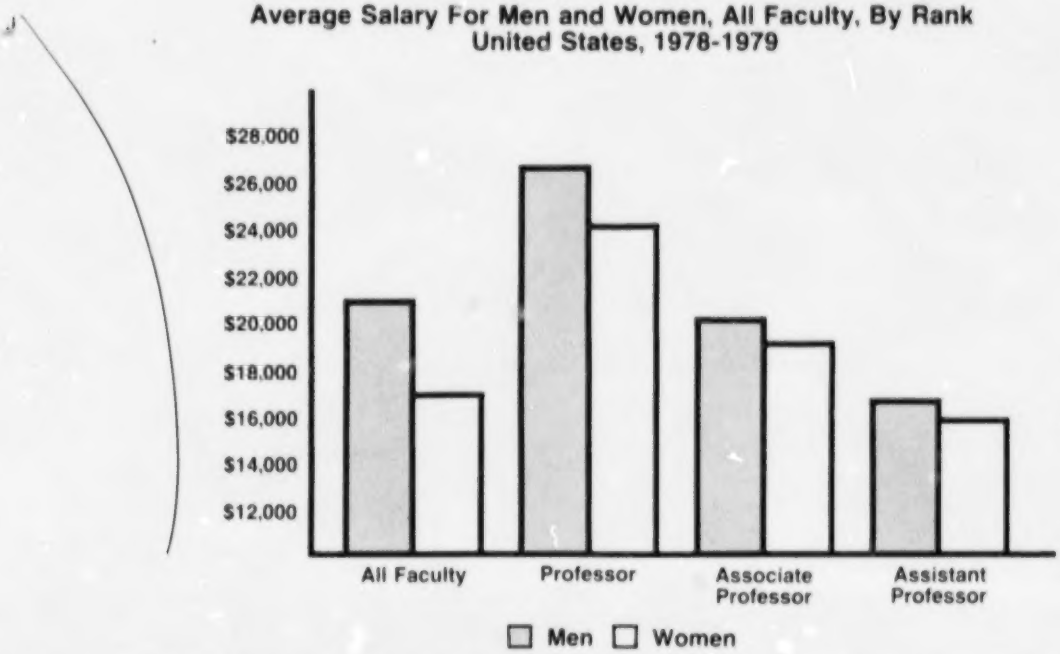
As we think about the adequacy of faculty income, we need information about how faculty compare to the wider economy. One way to do this is to compare the salaries of Ph.D.s who are faculty, with those of Ph.D.s in other kinds of employment (see Figure 4). For 1975, when only salaries are taken into account, faculty fall far below the average Ph.D. salary of $23,100. However, when the average additional earnings of faculty are added to base salary, the total income of faculty is above the average for all Ph.D.s, although still well below the salaries of Ph.D.s working in business and industry, and the federal government. Comparing total income of faculty to only salaries of other professionals is risky. But in the absence of contradicting data, there is reason to believe that faculty have greater opportunity, and actually do, supplement their salaries with outside income more than Ph.D.s in other occupations.

Another way to evaluate the levels of faculty salaries is to see how they compare with the average rate of inflation over the past eight years. This requires a comparison of how faculty salaries in the SREB states have increased from 1972-79 with what these salaries would have been if the actual average salary in 1971-72 were extended at the rate of growth of the Consumer Price Index. Yearly inflationary increases averaged more than 7 percent over that time, while average salary increases averaged 6.5 percent – leaving a gap of about $1,400 by 1979 in the South. It should be added that, for the total United States, the gap between inflationary and salary growth is much larger, as faculty salaries averaged only 5.2 percent annual increases nationwide.

Measuring faculty salary increases can be confusing. Most times the increases are expressed as the percentage gain from one year to another of an average salary for all faculty. However, a truer picture of salaries and how the typical faculty member is keeping up with salaries in other occupations can be seen when one looks at the actual increases for individual faculty who are on staff for a certain two-year period. This salary increase for

FIGURE 3

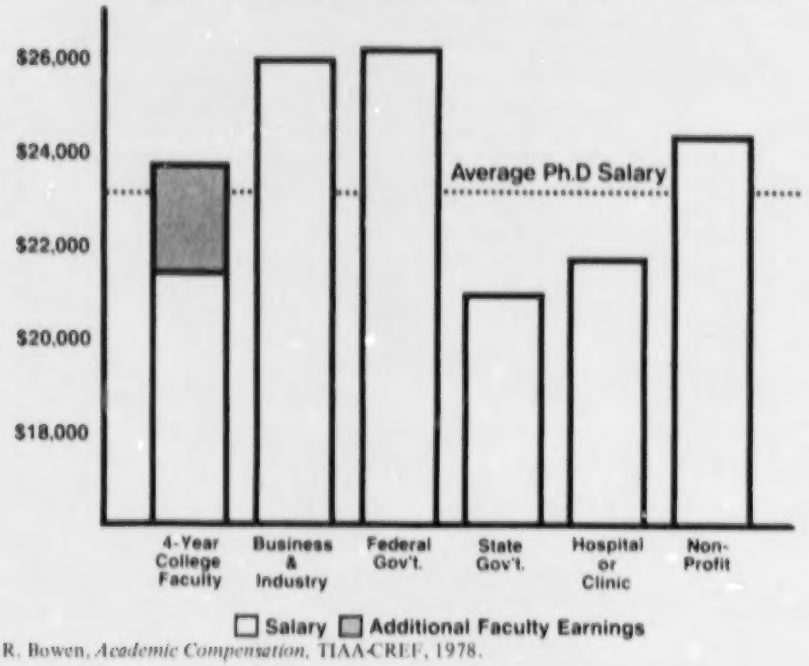
Average Salary For Men and Women, All Faculty, By Rank
United States, 1978-1979



Source: *Report on the Economic Status of the Profession, 1978-79*, American Association of University Professors, 1979.

FIGURE 4

Average Salaries of Ph.D.s, by Type of Employer, 1975



Source: Howard R. Bowen, *Academic Compensation*, TIAA-CREF, 1978.

"continuing faculty" is substantially higher than when all faculty are considered. For instance, in 1978, while the average increase for all faculty in the United States was 6 percent, the increase for continuing faculty was 7.4 percent. This is because continuing faculty do not include highly paid faculty who retire or leave for other jobs after the first year, or lower-paid faculty who are new the second year.

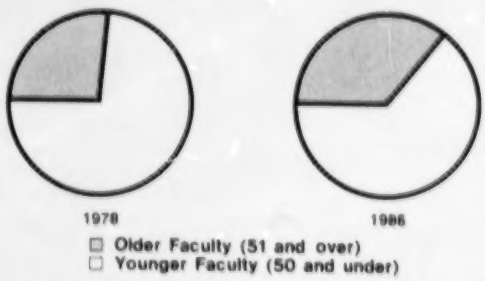
Faculty may be expected to press for increases to offset inflation. This may come in a time when enrollments are decreasing, faculty are in good supply, and competition for state appropriations is increasing from all sectors. The picture is clouded further because the age distribution of faculty will shift upward significantly between now and 1986 (see Figure 5). This year one-quarter of all faculty are older than 50; by 1986, about one-third of faculty will be in their 50s and 60s. Since older faculty do have higher salaries and may require more in the way of health and other fringe benefits, the total compensation bill will be higher for the same number of faculty.

The financial problem is made more severe by the likelihood that the rate of retirement may slow down during the middle 1980s for two reasons. The first is that, while there will be a much higher proportion of faculty over 50, most will still not yet be in their 60s. Second, mandatory retirement before age 70 will be prohibited in higher education beginning in 1982. The effect of a smaller proportion of faculty retiring, even as the average age of faculty rises, is that fewer young faculty can be hired – which decreases the ability to offset the higher salaries of older faculty with the lower salaries of new faculty.

Those who fund the salaries will be faced with demands by faculty for increased salaries and fringe benefits. Faculty may press for inclusion of formal cost-of-living adjustments indexed to some annual inflation estimate. There may be more interest in longevity or step increases, that recognize years of service or experience. And, of course, merit raises will be important. Unionization could expand, although to date in the South, only Florida is heavily involved.

FIGURE 5

Proportion of Full-Time Faculty by Age, 1978, 1986 (Projected Assuming Retirement at Age 70), United States



Source: Policy Analysis Service, American Council on Education, June 1978.

Some feel that if faculty salaries do not keep up with other occupations, there will be many good faculty leaving the profession for non-academic jobs. While this may happen, it must be remembered that there are advantages that attract faculty to the campus in addition

to salaries and other professional monetary income. There are the more intangible elements of faculty life, perhaps the most important of which is the control over how time is spent. Typically, faculty enjoy a degree of freedom usually available only to the self-employed.

Generally, faculty like their work and want to remain in higher education. There are many Ph.D.s who would like to become faculty – more than are being demanded currently. Against this picture, it could be seen as significant how well many faculty have fared economically. While it is true that, in the past few years, faculty salaries have not increased as much as the salaries of most other workers, it is likely that average faculty income, including salaries, fringe benefits and all other sources of professional earnings, is close to what faculty would earn in other job markets. However, it is also true that there are many faculty members who do not have their income at the average or higher levels because they teach in lower paying disciplines or do not have opportunity to supplement their salaries.

Recent increases in faculty salaries in the Southern region have typically been a full percent higher than in other regions, thus, the gap between the average salaries in the total United States and the South has decreased. In 1973, salaries in the South were more than 15 percent lower than in other regions; last fall, the gap had been reduced to 7 percent.

A commission of the South's leaders, assembled by SREB in the 1960s, urged regional states to reach for national parity in higher education. This closing of the faculty salary gap is an example of how Southern states are keeping that commitment.

Faculty Salaries: How Much or What For?

Richard Chait*

Academics and economics are hardly strange bedfellows. However, the primary nature of the relationship has changed. Academics once regarded economics principally as a field of study, a topic for research seminars and lecture halls. Faculty are no longer so naive, so idealistic, or so altruistic. If they were once public servants, they are now better described as public employees. Academics now view economics as a very practical matter of bread and butter, an issue to negotiate and sometimes to litigate. On campus after campus, money has, so to speak, come out of the closet.

In general, money assumes added significance as salaries seem less and less adequate, and as the organization places more and more emphasis on financial matters. Thus, as faculty salaries lag the Consumer Price Index (CPI), and as state government entertains cutbacks, layoffs, and caps on spending, economic issues rush to the foreground. And within that context, salaries – along with job security – will stand at center stage.

Hard numbers almost always drive out soft concepts, especially in an industry such as education which has historically been data shy and rhetoric rich. They seize anything that can be quantified – enrollments, test scores, credit hours. Not unexpectedly, therefore, with respect to salaries we are inclined to talk first and most about how much. How much *should* a professor make? How much *does* a professor make? I would like to suggest that these may be the wrong questions. We should ask instead: How much – for what purpose? How much – toward what end? In other words, we need to ask what policy objectives compensation systems are intended to serve. Only then can we begin to shape a

Richard Chait

Richard Chait is educational chairman of the Institute for Educational Management, Harvard University.

salary system, or more broadly, a reward system, conducive to those ends.

Pay can serve a wide range of purposes. I would like to concentrate today on three principal objectives: *subsistence, motivation,* and *satisfaction.*

Above all else, a salary system should provide workers with a decent wage – a means to subsist and perhaps even to flourish. What constitutes a decent wage? Therein lies the rub. The most common approach has been to

> "To pay less than a decent wage. . .may, ironically, be quite costly."

make comparisons with counterparts and competitors within the industry. Such efforts have been simplified by the American Association of University Professors (AAUP). However, as with most simple solutions to complex problems, AAUP salary surveys are fraught with difficulties. To mention only a few:

- Salaries are displayed without regard for discipline, except for medicine.
- Conversion factors from 12-month to 9-month salaries are not standardized and differ widely from school to school.
- Benefits are often only estimated with data based on cost to the institution rather than benefit to the individual.[1]

For these reasons, institutions and legislators would, I think, be better advised to do as SREB does: collect and compare regional data, and even there, carefully select peer institutions, schools, or departments with similar characteristics, workloads, and the like.

To complicate the matter, research suggests the AAUP-like comparisons may have limited value from the perspective of the faculty. First, the validity which employees attach to salary surveys depends significantly on the degree to which employees help select the reference group. What may look like a logical reference group to management may be viewed quite differently by the work force.

What *is* the relevant market, if indeed salaries are to be determined by the market? Comparable institutions? Similar departments? Should a law professor earn more than a classicist? Does not the university value both fields equally? Should we be concerned about offers from elsewhere, or with what the engineer could make on the outside? Perhaps for public institutions the market should be other state employees. Should a professor of nursing make more than a similarly trained nurse at a state hospital? Should a professor of accounting make more than a similarly trained accountant at the state treasury? And as Ph.D.s saturate the market, maybe we should allow the forces of supply and demand to take hold and drive salaries downward absolutely. Finally, maybe the only relevant criterion should be the ability of the employer to pay.[2]

I can raise these critical questions with you, but I cannot answer them for you. The answers are matters of philosophy and public policy that are best determined locally with participation by employees. I can urge that a philosophy about compensation guide the development of salary systems, and I can recommend that salary schedules afford a decent wage, if only as a practical matter because the more severe the pay dissatisfaction, the more attention pay commands. To pay less than a decent wage, however defined, may, ironically, be quite costly.

After all that, to attend only to the external markets and interinstitutional comparisons would be to miss a key consideration. Research suggests that, for most employees, the most significant comparisons are *within* the organization. Workers watch closely differences in salaries and raises. The market that employees know best is the local market. And even where salary data may be unavailable, the comparisons occur nevertheless, albeit with far more speculation and far less accuracy. Thus, even if an institution or system achieves parity or superiority vis-a-vis a peer group, internal comparisons can easily lead to pay dissatisfaction.

We all recognize that inadequate salaries can lead to lowered morale and pay dissatisfaction. Let's assume a decent wage and ask the corollary question: Will adequate, even generous, salaries lead to increased motivation? The subject is terribly complex; expert

> ". . .for a pay plan to motivate people, the organization must convince the work force that superior performance will indeed lead to more pay."

opinions differ and sometimes conflict. We do know from research that *just* raising salaries or pay levels does not increase productivity.[3]

Moreover, we, have identified certain circumstances which must prevail for salaries to effectively motivate employees. What are those circumstances?

First and foremost, for a pay plan to motivate people, the organization must convince the work force that superior performance will indeed lead to more pay. Simply stated, I, as an employee, must be persuaded that increased effort will lead to improved performance and that improved performance will, in turn, lead to increased pay. Should employees believe that that linkage has been severed somewhere, the prospects of more pay will not motivate greater effort. To ensure that linkage, and thereby validate the system for employees, management must conduct performance evaluations, ideally based upon objective, quantifiable, and clearly communicated criteria. Further, there would have to be meaningful and regular performance appraisal sessions and discussions between supervisors and subordinates about the overall operation of the reward system.

These circumstances hardly describe the personnel practices of most colleges and universities where, traditionally, supervision has been loose and evaluation elusive and often unwelcome. At best, we subjectively judge performance now and then based upon vague and trite criteria. The very nature of the profession probably

precludes objective performance measures. Moreover, few academic administrators have the appetite and talent to be effective supervisors. As a result, we evaluate poorly and irregularly or not at all, especially after appointment to tenure.

Even in environments outside education, similar problems arise. Merit pay usually derives from some evaluation by supervisors. Yet, studies reveal that most workers, particularly in unionized organizations, do not believe supervisor's evaluation to be either accurate or valid. Small wonder, since most employees rank themselves as above average performers. At General Electric, on a 1-to-100 scale, the average self-evaluation was 77, and 90 percent of the respondents had a self-assessment above the midpoint on the scale. In another study of 1,088 professionals and managers, 83 percent placed themselves in the top 10 percent.[4]

By definition, only half of any population can be above average. Yet if most employees have self-perception as above average performers, then inevitably many workers will be disappointed with an average or below average pay increase. Self-esteem suffers. Does the employee respond by working harder? Not really. More commonly, the worker denigrates the supervisor and invalidates the supervisor's assessment. The worker feels dissatisfied and unappreciated because a self-perceived strong performance yielded such a token reward.[5]

The link between performance and pay represents an essential condition for pay to motivate. There are other prerequisites. The employee must regard pay as an important and desirable reward. While surely important to everyone, some people value money less than others. Considerable research suggests that supervisors consistently overestimate the importance subordinates assign to pay. And limited research suggests that workers in the non-profit sector do not attach as much significance or valence to money as workers in the for-profit sector. Faculty do value other currencies — security, work freedom, critical acclaim, prestige, and intellectual fulfillment, to name a few. Academic institutions hold some values more dearly than money. We are not driven by a "bottom line" mentality. We routinely have successes which lose money. To be sure, pay is important to professors, but to the degree that it is somewhat less important than other extrinsic and intrinsic rewards, pay loses some of its ability to motivate.

"Considerable research suggests that supervisors consistently overestimate the importance subordinates assign to pay."

Motivation by merit pay requires some public disclosure about pay. If I, as a faculty member, do not know who received what merit increment or how I fared relative to specific colleagues, how will I know how well I have done, how fairly the system operates, or what the institution values? For the system to work, the meritorious must be highlighted rather than hidden. Yet, I think, few faculty and administrators are ready for full or even partial disclosure. They believe this may be desirable for elected officials, but surely not for other public employees, and least of all for faculty.

Finally, merit pay seems to work as a motivator only where the pay differential proves to be substantial. A modest award to distinguish the very best from the very worst does little to motivate. To quote, Edward Lawler, a preeminent authority on pay:

> Motivating people with financial rewards is not a piker's game. Large amounts of money must be given to the good performers if employees are to place a high value on good performance and the raises to which it leads. . . . If a company cannot afford to do this or is not willing to, it should probably forget about using pay to motivate performance.[6]

How much is enough? That's difficult to gauge, although some compensation analysts have suggested that the merit equal, at the very least, the amount furnished all employees for continued service. Probably, the merit increment should be much more than that to be an effective motivator. Given the nature of public employment, the scarcity of resources, and the vagaries of performance appraisal, I doubt that substantial merit increments are feasible at state-supported (and perhaps independent) colleges and universities.

Does all this mean we should forget about merit? No. Does this mean we should forget about merit pay as a means to motivate faculty? Probably so. Does this mean faculty cannot be motivated? Probably not.

There are rewards other than money, and at least one study suggests that faculty may value these rewards quite highly. How do we discover which faculty value what rewards? We ask. A professor at Texas Christian University did just that and discovered that faculty reward preferences will differ by age, school, and rank. Of 17 possible rewards, faculty at the rank of instructor rated a $200 research award eighth while more senior faculty rated the award fifteenth. Faculty at the Divinity School rated travel funds to one conference second only to a sabbatical; faculty at the School of Education rated travel funds ninth.

Faculty at the school of nursing rated "a parking space" tenth. Everyone else rated it 17th. Why? Because nurses come and go — to clinics and to hospitals — so it's a very important reward for a faculty member in a school of nursing and one that could be given based on performance.

Some of these rewards — sabbaticals, load reduction, and tenure — can be costly. Other prized rewards — a $200 research grant, a $600 faculty development award, a student assistant — cost less. And some forms of recognition and reward, such as awards to distinguished teachers and scholars, cost nothing.

The keys are, I believe, to determine what faculty, as individuals, seek and value and then to make certain that the individual performance to be rewarded supports

institutional goals and that institutional rewards reinforce individual desires. None of the links between goals, performance, rewards, and desires can be broken. More effective management of recognition and rewards, both economic and non-economic, can, when tied to performance, serve to motivate, especially when the differential distribution of rewards proves to be significant and observable.

I turn now to the final aspect of salaries I wish to address today – satisfaction. There are many elements to satisfaction. In a seminal study, Frederic Herzberg concluded that those factors which contributed most to worker satisfaction and function best as motivators are: a sense of achievement, recognition, the work itself, responsibility, and opportunities for advancement.[8] For Herzberg, the opposite of worker satisfaction is not dissatisfaction but, rather, no satisfaction. The causes of worker dissatisfaction (the opposite, of course, would be no dissatisfaction) are "hygiene" issues, such as company policy, supervision, and salary. Subsequent research indicates that Herzberg probably underestimated the importance of pay as a satisfier. Most studies rank pay about third, not sixth as Herzberg did, but then again not first as conventional wisdom does.

> "Faculty do value other currencies – security, work freedom, critical acclaim, prestige, and intellectual fulfillment, to name a few."

Pay satisfaction is an element, indeed an important element, of worker satisfaction. The threshold question which emerges is whether a satisfied worker performs better. We commonly presume that satisfied workers do perform better; that is, that satisfaction *causes* improved performance. Yet research suggests something quite different. The relationship is more dynamic than simplistic. Most often satisfaction *results from* effective performance because effective performance provides a sense of achievement and accomplishment and frequently leads to increased rewards.[9] These rewards, directly or indirectly, augment worker satisfaction.

In sum, performance can influence satisfaction when performance begets desired rewards. Likewise, satisfaction can influence performance because satisfaction has an impact on which rewards assume what values and, in turn, that value set influences motivation. Hence, performance, satisfaction, and motivation are inter-related.

Very simply, the goal should be to determine what mix of intrinsic and extrinsic rewards satisfies workers, and then to correlate as closely as possible the *relationship* between work performance and worker satisfaction. The best performers should be the most satisfied and the worst performers the least satisfied. Pay will be a part but surely not the whole. As I mentioned earlier, there are other economic rewards and other intrinsic rewards. Some may improve the work environment – provide better laboratories, richer libraries, more compact schedules, more support services. Others may reconfigure the very nature of the work so as to increase satisfaction – more advanced courses, more time for research, more opportunities for instructional innovation. Through the careful allocation of *all* these rewards and incentives, administrators should attempt to satisfy the best performers and dissatisfy the worst.

How does one reach that goal? At least to start, I would recommend that legislators and senior administrators grant supervisors the authority and resource flexibility to discriminate among performers. In fact, the senior-most officers should, in part, judge the performance of supervisors on the degree to which the distribution of rewards reflects discernment and the degree to which satisfaction and performance correlate. I, for one, would like to have two data sets – management's list of the most and least effective faculty, and some measure of satisfaction as self-reported by those faculty. In a well-managed university, there will be a close correlation between perceived effectiveness and perceived satisfaction. To achieve this goal, I should note, the bottom line – the total dollar package for salaries and other rewards – need not necessarily change. The dollar value of the rewards may remain constant, but the distribution curve will change.

So where does all this leave legislators and legislatures? Certainly not concerned with individual salaries and perhaps not concerned with salary schedules. A legislature would properly be concerned with the total cost of economic rewards. Parameters need to be established there. Beyond that, I would encourage lawmakers to explore and develop ways first to afford institutions the latitude to reward faculty differentially, markedly differentially, both as regards the value of a reward package and the mix of rewards. Second, I would encourage legislators to encourage educators, either directly or through appropriate state agencies, to use that flexibility and to produce documentation which demonstrates that it has been used. Not everyone will be satisfied. Not everyone *should* be satisfied. But the best should be the most satisfied. This is not inequity. It's good management. Inequity provides the same rewards for different levels of performance. We make too much of money, per se, and too little of other rewards at our disposal. We make too much of pay satisfaction and too little of worker satisfaction. The challenge for a legislature is to discover what set of incentives is at its command to motivate colleges and universities to improve institutional performance with respect to the improvement of individual performance. And in that endeavor I wish you well.

> "Not everyone *should* be satisfied. But the best should be most satisfied. This is not inequity. It's good management."

NOTES

[1]For an elaboration, see Rosemary Cliff, "Opportunities and Pitfalls in Faculty Salary Comparisons," paper presented at the Third Annual Academic Planning Conference, University of Southern California, 1978.

[2]These and additional questions of philosophy are thoughtfully raised in Joe L. Saupe, "The Politics of Faculty Salaries," paper presented at the Third Annual Academic Planning Conference, University of Southern California, 1978.

[3]Edward Lawler III, *Pay and Organizational Effectiveness: A Psychological View*, New York: McGraw-Hill, 1971, p. 67. The entire volume is very much worth reading as is Edward Lawler III, *Motivation in Work Organizations*, Monterey, California: Brooks/Cole Publishing, 1973. Chapter Six is especially relevant to the question of pay.

[4]Herbert H. Meyer, "The Pay-for-Performance Dilemma," *Organizational Dynamics and Compensation Review*, 1973, pp. 42-43.

[5]*Ibid.*, p. 42.

[6]Lawler, *Pay and Organizational Effectiveness*, p. 173.

[7]Richard Fenker, "The Incentive Structure of a University," *Journal of Higher Education*, July/August 1977.

[8]Frederic Herzberg, "One More Time: How Do You Motivate Employees?" *Harvard Business Review*, January-February 1968.

[9]Lyman W. Porter and Edward Lawler III, "What Job Attitudes Tell About Motivation," *Harvard Business Review*, January-February 1968.

Graduate Education: Access, Quality, and Competition

A Higher Education Agency Perspective

Gordon K. Davies*

Most of the difficulties confronting higher education today either affect or are affected by graduate education. Until fairly recently, the comprehensive and land-grant universities were our major public graduate institutions. Some of the local colleges had master's programs for teachers, but that was about all. The situation has changed, however, in part because most comprehensive and land-grant universities were not built in major metropolitan areas. If your state built yours where the people are concentrated now, you are (a) unusual and (b) lucky. Because the population growth in the South is concentrating in urban areas, the universities which serve them seek graduate programs for their constituencies. As the urban areas grow in population, so they will grow in political power. Therefore, the urban universities not only want graduate programs, they are apt to get them.

There are several different kinds of graduate education. First, there are traditional research-oriented doctoral programs, most of which are designed to prepare persons for academic or research work. Thirty years ago, the South was far behind the rest of the nation in these kinds of programs; today, however, we confer about one-fourth of the nation's doctoral degrees. Unfortunately, we are doing so at a time when far fewer academic positions will be available for our graduates.

Second, there are professional programs: law, medicine, dentistry, and veterinary medicine. Student demand for access to them generally outstrips society's needs for their graduates. Nonetheless, universities which do not have them will probably seek some professional programs in response to demand in the regions they serve.

Third, there are graduate programs for those who continue their education while employed. Most of the graduate programs for teachers, the part-time master's programs in business and public administration, some master's work in engineering and computer science, are good examples. They are oriented toward a particular goal, such as promotion, licensing, or recertification. Students enrolled in these programs are usually older, employed, have family responsibilities, and need to study fairly close to their homes or places of employment.

Gordon K. Davies

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Finally, there are a few self-development graduate programs, such as the master of humanities or general studies. These are designed to help men and women round out their education, grow as human beings, and come to a better understanding of themselves and their world.

Given these kinds of graduate programs, the obvious next question is – Who should do what? It is also a question which concerns you, as it does your state's higher education governing or coordinating agency, because colleges and universities have an inevitable tendency to become more and more alike if left to their own devices. They will duplicate one another's services, arguing all the while that it is necessary to do so in order to meet the needs of the region they serve.

The commendable notion that everyone should have access to at least the first two years of higher education within commuting distance of his or her home has been extended to cover all of undergraduate education and a lot of graduate and professional education as well. It is, for instance, not at all uncommon to hear complaints about the unwarranted hardship imposed by having to leave home to go to law school or get a doctoral degree.

My experience leads me to believe that most states have budgets in which there is a limited amount of money available for higher education. It follows from this that starting more graduate programs will result in spreading the money more and more thinly, with a predictably negative effect upon the quality of all higher education. I say that the quality will decline, acknowledging at the same time that I have considerable difficulty defining quality. I feel about it the way St. Augustine felt about time; he complained once that he knew quite well what it was until someone asked him to define it.

> "I suggest that the traditional doctoral programs in the liberal arts and sciences . . .should be offered at the comprehensive and land-grant universities and nowhere else."

We would probably all agree on two points, however: first, the quality of higher education is not fully dependent upon money; and second, it is not fully independent, either. The thinner you spread the money, the less good everything will eventually be, including the graduate programs at our comprehensive and land-grant universities, bachelor's programs everywhere, and community college programs.

I suggest that the traditional doctoral programs in the liberal arts and sciences, those directed toward academic and research professions, should be offered at the comprehensive and land-grant universities and nowhere else.

The same is generally true of professional programs, including two-year, residential M.B.A. programs.

The in-service graduate programs should be offered throughout the state, wherever there is sufficient demand for them. Here, however, we need to be careful that the professional associations and universities do not enter into mutually advantageous but unholy alliances to increase unrealistically the amount of continuing education required in various occupations.

The self-development programs also should be offered wherever there is sufficient demand for them. Indeed, in this time of little comfort, we probably should encourage more such programs than we have.

Clearly there are exceptions to these general suggestions I have made: medical schools and doctoral programs at universities which are not comprehensive or land-grant, and the like. I don't think these can be discontinued; I simply propose that their proliferation stop. We have entered an era of "lifeboating" in graduate education – if a new program is going to get into the lifeboat, an old one is going to have to get out. If everybody gets in, and nobody gets out, we shall all sink.

The advocates of growing universities frequently argue that it is impossible for an institution of higher education to achieve quality without having full-fledged graduate and professional programs. I don't believe it,

> "We have entered an era of 'lifeboating' in graduate education – if a new program is going to get into the lifeboat, an old one is going to have to get out."

and I hope you don't either. It confuses quality with size and level of instruction. Every institution is not, thank God, Harvard, nor was every institution meant to be. It is quite possible to offer baccalaureate and in-service graduate programs of good quality without a full array of doctoral and professional programs. The emerging urban universities should do this, and should not try to become mere copies of the comprehensive and land-grant universities. There is nothing distinctive about being a copy of something else.

The general tendency of institutions of higher education to become more and more alike, of colleges to want to be universities and of universities to want to be comprehensive, betrays the fact that most of higher education is suffering from sclerosis of the imagination, a hardening of patterns of thought, an inability to circulate new ideas, a loss of vision which makes it safer to copy yesterday's successful effort rather than create tomorrow's. The phenomena with which we are all familiar – declining numbers of young people, increasing numbers of part-time students, generally level enrollment, stable funding at the best – will be with us through the Eighties. The health of higher education at the end of the coming decade will depend in large part upon how creatively we respond to these phenomena. This leads me to a set of suggestions which I propose for your consideration.

First, we should treat graduate education as a privilege rather than an entitlement. It is silly to make believe that we can provide high quality graduate programs of all kinds within commuting distance of every-

one who wants them. In-service and self-development programs, perhaps; but at the risk of being uncharitable, we should hold the line on professional programs and traditional doctoral programs.

Second, we should disavow the myth that students in some programs, for instance, in the health professions, are there solely for society's benefit. In fact, they are preparing for lucrative, socially prestigious positions; and now we are probably producing more graduates than necessary to meet society's needs. Therefore, the tuition charges for these programs should be increased significantly.

Third, because graduate education is a privilege and benefits those who participate in it, graduate tuition in general should be increased. I do not know the tuition policies of each of the SREB states in detail, but my impression is that tuition would increase significantly if, for instance, we were all to charge in-state students about half the total cost associated with a particular graduate program and out-of-state students three-fourths. We should have different tuitions for different disciplines, because the cost of the disciplines varies widely.

If graduate and professional tuitions are increased, we should of course expect to allocate more financial aid to graduate programs. If we do not, the programs will be available only to the more affluent members of society, and we shall reverse the great progress we have made in the South toward building systems of higher education which are open to all qualified men and women regardless of wealth.

Fourth, we should be careful of the strong emphasis now being placed upon required continuing education in various professions and occupations. These requirements have their good points, which I need not enumerate, but the upward spiral of credentials also feeds graduate programs and may end up costing the taxpayers more for training and education than is necessary.

Fifth, we should treat higher education as if it really were a system of inter-related components, because it really is. For instance, in many urban areas, community college enrollments are suffering as the two-year institution and the local university begin to compete for the same potential students. At the same time, however, the urban university is calling for additional resources to enable it to grow at the graduate level. Why not reduce the freshman and sophomore enrollments at the urban university and encourage students to enroll instead at the local community college? Then, with general agreements for transfer of credit, the students could enter the urban university as juniors without losing any time, the enrollments at the community college would be bolstered, and the resources now being spent by the urban university on freshmen and sophomores could be redirected to graduate instruction. There is no need to build new facilities for graduate students at an urban university if a systematic reallocation of responsibility would ensure that the local community college and the university would both make substantial contributions to higher education without a great deal of additional funding.

> "It is silly to make believe that we can provide high quality graduate programs of all kinds within commuting distance of everyone who wants them."

The suggestions I have made thus far would help to clear away the tangle of underbrush that now chokes graduate education, and might slow the proliferation of programs. After all this is done, we should treat graduate education as a critical investment in the well-being of our society. Our technologies are increasingly complex; our problems increasingly severe. Our need for experts grows every day; not just our need for technicians who know how to do their jobs, but our need for educated men and women who understand how they and their jobs fit into the fabric of society. Graduate programs train workers essential to a healthy economy, and contribute significantly to the quality of life in our states. We shall do well to support them.

We should fund graduate education adequately. Our doctoral programs are generally new and generally unknown across the nation. Their graduates will have an increasingly difficult time getting jobs as the demand for academics decreases dramatically in the coming decade. I think it is particularly important to put money for doctoral education into these programs, rather than into starting new ones, so they can build reputations and compete effectively. If you have too many in your lifeboat, kick a few out. But for heaven's sake, don't let anybody else in or we shall all be swimming in shark-infested waters.

Having offered all of these suggestions, my question now is: Can any of us take the heat? Can we withstand the criticism which will come if we assert that graduate education is a privilege rather than an entitlement, or if we increase tuition in graduate and professional programs, or do any of the other things I have suggested? I don't know whether we can, but I am sure that your governing or coordinating agency cannot unless you are prepared to. I don't think it matters whether you have a strong governing board running higher education or a coordinating council trying to get colleges and universities to cooperate. Neither will be able to control graduate education unless legislators support its efforts to do so; turn a deaf ear to the complaints of your local university that it cannot possibly achieve excellence without doctoral programs in Tasmanian archaeology and Byzantine erotica, or professional programs in law and osteopathy; and take a systematic view of higher education as a whole in your state. I don't know if you can do that, but I certainly hope you can. If you can't, those of us in coordinating or governing roles are going to find ourselves pretty isolated and generally ineffective as we try to deal with graduate education in the coming decade.

A Legislative Perspective
Senator Pat Frank*

Dr. Davies raises the question, "Can any of us take the heat?" My response is that we as legislators should be initiating "the heat" to bring about change.

Dr. Davies' suggestions are aimed at controlling the proliferation of graduate programs. He concludes that it is our obligation to turn a "deaf ear" to the complaints of our local universities regarding their requests for doctoral programs in exotic fields, and that we must support efforts of our governing body in higher education to control the expansion of programs. As a legislator I cannot conclude that we should turn a "deaf ear" to the complaints of our local universities and constituents. In fact, those statements which are made by local people may have more merit than those which are made by the coordinating council or governing board – Why must we assume that a governing body has no built-in bias?

> ". . .should graduate programs be located where the people are?"

A look at Florida may provide insight into problems which other Sunbelt states may experience in the near future. Florida has experienced a great influx of population, with the majority of Florida's new residents choosing to locate in metropolitan areas. In contrast to the United States' average of 73 percent and SREB's average of 64 percent, Florida's metropolitan population is 84 percent. In response to this influx of metropolitan growth, six new universities and 28 new community colleges have been added to the higher education system, and yet three original non-urban based universities continue to enjoy the status of offering the majority of doctoral programs available throughout the state.

The conflict of non-urban university graduate programs and metropolitan population expansion includes another element of historic note. The older universities in Florida were, at one time, either all male, all female, or all black. The pattern of the three oldest schools has been reflected in the availability of graduate programs. The previously all male school, the University of Florida, continues to place heavy emphasis on the science and engineering fields. The previously all female school, Florida State University, which heavily emphasized the human and social sciences, presently offers doctoral degrees in the science and mathematics fields; while the previously all black school, Florida A&M, which was predominately an agricultural school, does not yet offer a doctoral degree in any field.

Is there initiative presently being exerted in Florida to transfer existing programs to universities located in urban areas where the majority of the population exists? No. Rather, the argument is expressed that proliferation of programs is not necessary and that duplication of programs would be expensive, a similar position to that taken by Dr. Davies. Perhaps we should ask the question,

Senator Pat Frank

Why should graduate programs be located where the people are?

It should be noted that in reviewing those schools having the largest campus populations in the United States, that is those with populations over 26,000 students, Miami-Dade Community College is seventh in student enrollment. With 38,000 students enrolled, only six other colleges, such as the University of Minnesota, Ohio State, University of California or Michigan State, exceed Miami-Dade Community College. When we examine the number of students in Florida who are enrolled in graduate programs, however, we find that Florida's percentage falls below the SREB and United States average with only 7.2 percent of student enrollment in graduate programs compared with SREB's 9.6

**Pat Frank is a state senator from Tampa, Florida.*

percent and the United States' 9.8. I maintain that the *desire for graduate education does* exist among Florida's citizens, yet the lack of accessibility to graduate programs discourages students from participating.

Candidates for graduate studies must consider the financial impact of relocation. Today, the energy shortage limits the ability of students to live in one city and commute to another for graduate programs. Furthermore, industry and business are located in metropolitan areas. The benefit that industry derives from applied research conducted within graduate programs can be

> ". . .industry and business benefit by the location of graduate programs in those metropolitan areas where commercial activities exist."

substantial. Graduate programs encourage research; therefore, industry and business benefit by the location of graduate programs in those metropolitan areas where commercial activities exist. In turn, the business community will then support higher education. This can be a substantial factor in the improvement of quality programs in the state. We should also not overlook the benefit of drawing upon the services of outstanding professionals who work in industry located in urban areas.

Dr. Davies comments that not every institution must have graduate programs in order to have quality. Given the circumstance of costly facilities existing in non-urban areas and demands being made by metropolitan citizens for graduate programs, how can the problem be resolved from a legislative viewpoint – with as few dollars being spent as possible, yet quality and accessibility being guaranteed?

This problem was addressed by the Board of Regents in Florida in 1978 when the regents adopted a document called "Role and Scope." The core of the document included the concept that the older, established universities in non-urban areas would be dubbed "flagship universities" with accessibility to their programs being given to all students throughout the state. The remaining, the newer, mainly urban, universities, would be regional in nature drawing only upon citizens within the parameters of their own geographic area. Such regional universities would not have a wide range of programs available at the graduate level.

This concept drew immediate fire from legislators in metropolitan areas. The opposition was quite naturally based upon the premise that the majority of the citizens lived in urban areas, therefore, more accessibility should be available to graduate programs by those students. Although a compromise was arrived at in the ultimate document which was accepted by the Board of Regents, a burden continues to exist upon those metropolitan schools that would like to initiate graduate programs, for the urban schools must meet certain criteria prior to the establishment of any new doctoral programs. First, there should be demonstrated demand from students who are place-bound; second, other needs of the local area may be considered; third, special characteristics of the university or the resources of the area that facilitate service with reference to state, national, or international needs must exist; and fourth, evidence must be present that an appropriate, cooperative degree program would not meet the need. While these four criteria were established, thereby restricting the ability of the newer, metropolitan institutions to initiate doctoral programs, the regents did *not equate* criteria which would have examined present programs at the older institutions.

In my opinion, there remains some conflict among legislators, regents, and administrators regarding this action. And, as Dr. Davies acknowledges, the metropolitan influence in legislatures will become increasingly important. The past Florida legislative session initiated major legislation dealing with higher education. Much of that legislation, in my opinion, was a result of the aftermath of the "role and scope" controversy and discussion. The legislature recently enacted quality improvement funds leaving the option of the expenditure of these funds to the local university president, rather than establishing them at the broad, Board of Regents' level. Secondly, a study was ordered by the legislature of the structure and governance of higher education in Florida. These actions were, in my opinion, our way of "turning the heat on."

As a result of the autonomous position of Florida's community colleges, which enables them to identify their mission independently, a lack of articulation between the community colleges and universities occurs frequently. I strongly agree that we should look at the feasibility of the first two years of undergraduate study being operated jointly by community colleges and universities. This could serve to eliminate many of the problems that arise between the two bodies, such as

> "must we. . .deliberately strive to place graduate programs outside of the citizens' reach?"

common course identification and grade point inflation, etc. However, transfer of university operations to community colleges would not be easy to implement, for presently most community colleges have an "open door" policy; all that is required for admission is a high school diploma. However, more is required of university students for admission. Additionally, it would be a physical burden to transfer all university students to the community college. Facilities may be inadequate and, certainly, proliferation of campuses is not something that should be encouraged at this time. Regardless of whether or not the universities incorporate their first two years of courses at the community college, more coordination between the two bodies is a must. We should certainly ask questions such as: How does the cost of the same course compare between a community college and a university? What is the comparable course content of the same subject being studied? Is the same material being covered on tests which are given for the same

courses in the community college or the university, and are the grades established using the same criteria?

The issue of higher tuition for graduate programs is addressed by Dr. Davies by relating tuition costs with income after graduation. For example, Dr. Davies disavows the value to society of those preparing for a health profession because the profession is lucrative after graduation. I fail to see the conflict between the value to society and the high income experienced by these graduates. Should we decrease graduate program costs in other areas, such as education or social work, because these graduates make less money? Income after graduation is not the important point; the determination of whether society has a need for the graduates of such programs and if there are positions in which to place them after graduation is important.

In conclusion, let me reflect upon Dr. Davies' statement which sums it all up, "It is silly to make believe that we can provide high quality graduate programs of all kinds within commuting distance of everyone who wants them." Certainly, we, as legislators responsible for the efficient control of taxpayers' dollars, could not disagree with this statement. However, my question would be: Must we, on the other hand, deliberately strive to place graduate programs outside of the citizens' reach? Access and quality are not incompatible notions. Duplicating programs or maintaining the *status quo* are not the only alternatives. We who shall continue to reflect a growing metropolitan constituency *must* consider the diversion of graduate programs from older non-urban institutions to newer urban areas where quality can flourish.

Chairman's Address

Governor Bob Graham*

We as legislators and governors should take considerable pride in participation in the Southern Regional Education Board, the nation's first interstate compact for higher education. The establishment of this Board was a far-reaching statement by the Southern states that they were prepared to leave behind the traditions that had held our region back and to recognize the central role that education, particularly higher education, could play. The accomplishments of this region over the past 30 years are a testament to those who have preceded us. Their achievements and their sacrifices leave us a very difficult and demanding standard for action, so that we can continue to build on this 30 years of SREB tradition.

Governor Bob Graham

One of the great values of SREB has been in its cross-fertilization, which has taken many forms. Most recently, it is taking a form of exploring what the organization can do with new issues in the area of health planning. I happen to have served as chairman of our state senate committee on education, and then served as chairman of our committee on health and rehabilitative services. I was struck with how many significant issues in the health-related area are very relevant to education, particularly higher education. As SREB expands its activities in the field of health planning and health manpower, we will begin to see some interesting and exciting potentials in the relationships between government and health providers. This will be especially instructive to those of us who are interested in similar relationships between government and higher education providers.

These SREB Legislative Work Conferences provide for another kind of cross-fertilization and an opportunity to rethink some of the ways in which we operate in our states.

I attended my first SREB Legislative Work Conference in the summer of 1956 in Asheville, North Carolina. I had just been nominated by the Democratic primary to serve in the Florida House of Representatives. That was an opportunity for me to get to know people like the speaker you are going to hear next, Bob Berdahl, and Lyman Glenny, and Win Godwin, and other professionals in the field of higher education, as well as fellow legislators who were interested in higher education policy. That kind of personal cross-fertilization develops contacts that you can draw on as you return to your home states. You will find these contacts to be a most valuable aspect of your experience as a participant in SREB activities.

As a governor who served in the legislature for many years, I hope you won't think I am being presumptuous to comment on what I see as the role of the legislature as it relates to higher education, and then apply that to some of the issues that legislatures are going to have to face collectively.

In many ways, a legislature is analogous to a Supreme Court in that there is a very wide range of potential jurisdiction available. The court has to exercise "creative

Governor Graham of Florida is chairman of the Southern Regional Education Board.

restraint" to decide which of those potential issues justify the attention of the highest judicial body in the state or the nation. In much the same way, that is the position in which legislatures find themselves. Legislatures have the potential to make the most detailed decisions as to operation of individual programs or institutions. I would suggest, however, that you try to discipline yourselves to avoid that. I suggest that you follow this course in the area of higher education, because to do otherwise will bring you into conflict with principles and practices, such as academic freedom and academic prerogative. In addition, there are decisions that are best made by institutional powers, a governing board, or a coordinating board, or a statewide agency, such as a board of regents.

But more fundamentally, as you spend time on details, you are less able to perform the one function which legislatures alone can perform – that is, to set statewide policy. Legislatures are the only agency under our system of government that have that broad sweep of responsibilities and opportunities. Focusing on the policy issues is the legislature's most fundamental responsibility and opportunity.

This is an era in which we need some fresh thinking in terms of education policy. There are many factors which are causing this period – 80 years into the Twentieth Century – to be a time of major transition for education. Clearly, economic circumstances are rapidly altering the relationship between the public and private sectors and are altering the ability to allocate resources as fully or in the pattern to which we have become accustomed in the past.

I was involved in a discussion recently about an issue of which you are all aware – the implications of energy changes. Just eight years ago, this nation had a positive balance of payments. Today we are running a deficit, which this year will run close to $50 billion. Almost all of that $50 billion can be directly related to the increase in price that this nation is paying for oil. If you take $50 billion out of the economy of this nation, it causes a whole rippling effect of changes in our economic priorities – a rippling effect to which higher education is not immune. We are also in a period of tremendous technological changes. We are increasingly and radically changing the nature of our society. Here in Atlanta, for one example, a television station is setting a new standard to become truly a national individual television station with satellite capabilities to reach the entire country.

The next thing that is coming will be a new era in the potential of television. With new, relatively low cost technology, you won't need to have a cable in order to receive satellite television signals; you will be able to receive them directly in your own homes. The potential is enormous for this new technology to help educational institutions reach out in new ways to provide services to new client groups, particularly to the elderly.

We are also in a period of declining enrollment. You know that in the early Sixties the birth rate in this country plummeted. Since 1972, it has been below the replacement level. We know that we are in a period of underutilization of higher education. Institutions that used to enroll 10,000 students are now enrolling 9,000. Many institutions have gone out of existence as a result of the decline in the ability to attract a sufficient number of students. There has been particular pressure on the private sector. In our state in 1950, half of the students in Florida were enrolled in private institutions. This year, less than 15 percent are enrolled in the private sector. Many factors have contributed to that decline, but a major influence has been the financial constraints under which the independent institutions have operated.

All of this transition takes place in the context of tremendous public questioning about government itself. Can the level of integrity and ethics of government be trusted? We are now one day past the fifth anniversary of the resignation of the only president in the history of this country to relinquish his office because of questions about the value base of his administration. But even more people are questioning the competence of government today. Can government be trusted to handle difficult decisions? I was interested to see a column in a news magazine commenting about President Carter's energy speech. It said, "Would you like to turn over development of synthetic fuel in this country to the same people who bring you the Postal Service?" That sort of basic question on the competence of government to deliver complicated services also applies to higher education. This same environment raises questions for higher education.

First, how does government establish relationships with institutions that have that unused capacity so that we can take advantage of it for our people? One of the major thrusts of SREB during the next period is going to be to expand its regional sharing programs to make state boundaries less important in some educational matters, so that we can better serve our people. How do we also use this unused capacity to encourage greater productivity in higher education? One of the reasons that the public mistrusts the government is that they see heavy labor-intensive activity in our economy which is not keeping pace with the necessary increase in total productivity. I think in higher education we have the opportunity and the imagination to use this capacity that is now available to begin to seek greater productivity.

Second, there is the question of the survival of private institutions. This nation broke with the pattern in Europe where institutions were either all of a private nature – particularly of a religious nature – or all public. We developed a strong dual system which has been one of the great strengths of our higher education experience in America. That plurality is now in considerable jeopardy. I think it is the responsibility of state legislators and policymakers to think through where we want the independent sector to be 10 to 20 years from now.

Budgeting is another issue today. Most our budgeting systems since the end of World War II have been built on the assumption of unending growth. The reality was that as an institution added 5,000 students it did not incur the same amount of cost as it did when it originally enrolled 5,000 students. Yet we funded institutions as

if that were the case. Because of that less-than-incremental cost for those new 5,000 students, the institutions had the resources left over to invest in new directions and quality. Now, when those enrollments drop – let's say that those 5,000 students are no longer enrolled – the institution is not able to reduce costs on the same scale as it increased spending when those students were added. As we continue to use a budgeting system based on enrollment, we are going to face very serious problems in maintaining quality – and in maintaining institutions.

What do we do with institutions when they reach the point that they are no longer viable? What do we do about a faculty that has an increasingly high percentage of older, tenured members? We have tended to think that to build competence and increase quality new people should be brought in. How do you do that in the face of a faculty that is largely structurally in place and immovable? Those are the issues to which the legislatures alone are in a position to give primary policy direction.

Finally, let me talk about the importance of quality of education in the nation and in the South at this point in time. Twenty years from now, in Florida – it will not be true of most states in this region, but it will be proportionately true – we are going to have 25 percent of our population over the age of 65. The generation that is now going through colleges will be our age in the year 2000. They will be the 40-year-olds who will be looked to for leadership of public and private institutions. The difference is that the middle-aged group is going to be a uniquely small percentage of the total population, because of these demographic factors. They will be called upon to support a uniquely large number of the people who will be at retirement age.

What that says is that we have a special responsibility to the future of our states, our region, and our nation and the world to see that this particular group of young Americans are particularly well educated. We are going to need to expand the capability of this small pool of individuals to reach their full potential. That will be a great challenge and an opportunity for this generation of state and national leaders to leave to the future of our states and our nation. That is the kind of challenge that led to this organization's creation 30 years ago – the challenge which our forefathers have met. It is now going to be equally our responsibility to meet that challenge as we look to the next generation.

Teacher Education and Certification

Robert E. Stoltz*

A number of things have occurred in the process by which we certify teachers in the nation and particularly in the SREB states. Some of these are occurring so fast that any report, including my own, is bound to be out of date by the time it is finished. Some generalizations are possible. Most of the changes that are occurring can be slipped into one of three categories. First of all, the most common change noted is the addition of a test at the end of the college program – a test that is designed to represent the minimal qualifications that a prospective teacher ought to have.

The second common feature is the introduction of a longer probationary period for the prospective teacher. Following completion of the college program, states are more often establishing a period of from one to three years during which the teacher would be observed and evaluated. They would be evaluated by a variety of different means, and following successful completion of that evaluation and probationary period, renewable certification would be granted.

The third common element in the emerging process is the introduction of tests or other requirements earlier in the process of teacher preparation. These would be designed to screen those entering the professional sequence. One of the things that struck me very early on is that some of the states making changes seem to be very much aware that the production of teachers is a "pipeline" problem while others ignore this fact. Some professional educators are going to be mad at me from the start for using business and engineering analogies to describe what occurs, but a pipeline analogy is, I think, one of the best ways to describe the process. Let me indicate what the steps are in this pipeline (see diagram).

The first place where prospective teachers are screened out is at high school graduation. Throughout the South, we still have a very sizable high school drop-out rate. In North Carolina, for example, we have about 90,000 students in the ninth grade. When you get to graduation, that number has shrunk to 60,000. So we lose 30,000 in that period. This pattern is shared by many of our sister states. So, in the South, in terms of the total talent pool available, we are already suffering a considerable reduction prior to high school graduation.

Robert E. Stoltz

Some of those lost would be talented enough to go on in higher education, because not all of that loss is composed of very low ability youngsters.

The next hurdle is the one of "admission to college." If the college or university is selective in its admission process, some prospective teachers might be screened out at this point. They would not necessarily be lost to teaching, however, since they are likely to continue on, but at a less selective institution. Students electing to enter the more "open door" institutions, such as many

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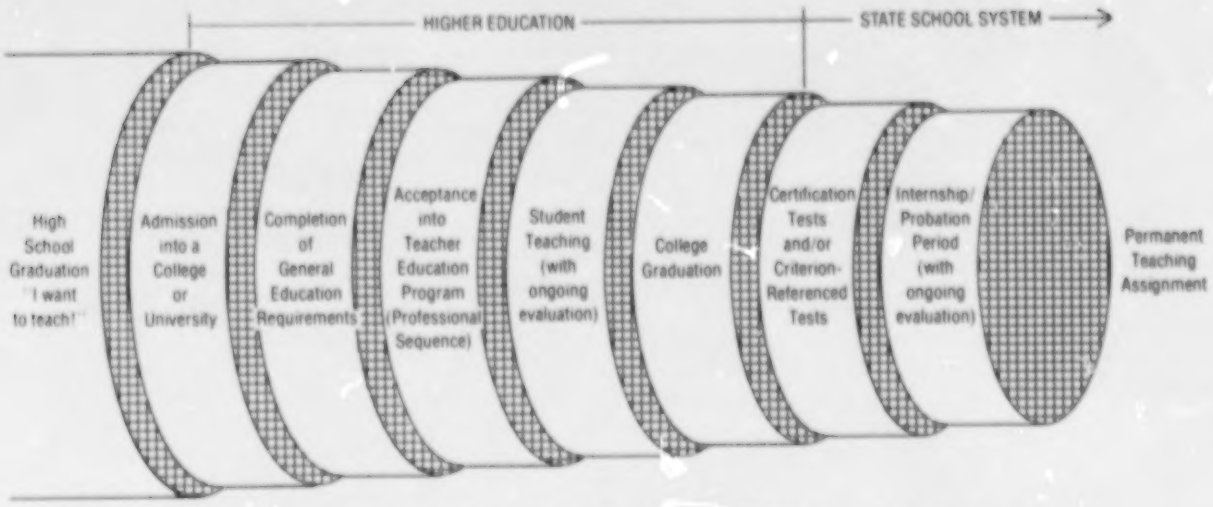
Filters Along the Teacher Education/Certification Pipeline


HIGHER EDUCATION
STATE SCHOOL SYSTEM
High School Graduation "I want to teach!"
Admission into a College or University
Completion of General Education Requirements
Acceptance into Teacher Education Program (Professional Sequence)
Student Teaching (with ongoing evaluation)
College Graduation
Certification Tests and/or Criterion-Referenced Tests
Internship/ Probation Period (with ongoing evaluation)
Permanent Teaching Assignment

NOTE: Feedback should occur from evaluation at the Student Teaching and Internship/Probationary stages, which should serve to strengthen and refine filters all along the pipeline, benefiting teacher education programs, general education programs, the public, and the teachers themselves.

state colleges or universities, or those who begin at a two-year institution face little screening out at this point. One should keep in mind that there is little evidence that those graduating from the more selective institutions are the better teachers, although their already high-scoring ability on admissions tests would suggest they would tend to perform well on tests at graduation which emphasize verbal ability.

At almost all institutions, selective or not, a great deal of screening out, or into, the field of teaching occurs as a result of the student's performance in the general education courses required for all degrees. It is important to realize that these courses are usually offered by schools or departments in the arts and sciences and not by education departments. Poor performance in these courses often means the student drops out of school completely or shifts his or her major. Some students, such as prospective engineers, may, as a result of weak performance on the general education courses, move into teaching majors, while some prospective teachers with low grades are shifted out of higher education entirely, some permanently, and some only temporarily.

Admission to the professional teacher education courses normally occurs at the end of the sophomore year of college. It is not at all uncommon for a prospective teacher to be required to have a "C" average for admission into this program and some institutions have higher grade requirements. It is still rare, however, to have test score performance used as a screening device at this level.

In theory, but not so much so in current practice, the student teaching period, normally given toward the end of the college program, should constitute an important screening as well as training function. It is at this time that the student is given an opportunity, presumably under close professional supervision, to apply what has been learned to actual teaching situations in regular school settings. Unfortunately, full advantage of this period is often not taken, not due so much to a lack of awareness of what could be done as to limitations imposed by staff sizes, competency, budgets, and time. In addition, the process by which teaching sites are selected, monitored, and used is often weak.

Actual graduation from an approved teacher education program poses the next hurdle. This may be relatively automatic at this point if all the preceding hurdles have been passed successfully, but there are, on occasion, individuals whose cumulative weakness may bar them at this point.

In some states, a test hurdle is inserted just prior to or after graduating from college. As you will see, one of the more recent developments is the extent to which this practice is growing and taking on new forms.

Following graduation, a positive recommendation from the college, and adequate performance on a test hurdle, the prospective teacher may seek and enter a full-time teaching position. There is often a probationary

period associated with this entry position, but it can be quite short and the evaluation of teacher performance during this probation period can be limited and quite subjective. Nevertheless, some screening out does occur here, but it is rather limited.

I hope through this overview I have made clear that the production of teachers is not a process with a single point at which qualitative judgments are made. Rather, it is a pipeline through which prospective students move – a pipeline with multiple entry points and branches, and with several points along the process where qualitative controls are and can be applied.

To improve the quality of teachers, each state must recognize that it has a pipeline problem and that an adjustment at one point only is likely to have very limited consequences. If you really want to improve qualitatively your pool of certified teachers, you had better be concerned about the total effect of the pipeline.

For example, the certification test alone is frequently a minimal competency test. Its content will shoot downward to the least common denominator. It will largely measure the bare minimum that would be expected of a teacher at that point, and probably will not have much height or ceiling to it. As a consequence, it will strain out only at a point where you really want to stop people from moving forward. It will not necessarily help in raising standards overall, particularly since it occurs so late in the process.

> "To improve the quality of teachers, each state must recognize that it has a pipeline problem and that an adjustment at one point only is likely to have very limited consequences."

If you want to have a good bit of effect on the overall quality of who moves through, you would start at the admission process at least, and certainly, by the end of the sophomore year. If you really are concerned about quality as it will appear in practice in the field, then the evaluation and probationary period will probably be the most critical and most significant element of all, because that is when you will be able to observe directly what a teacher can do within the classroom situation.

Without going into detail about individual state programs, let me just cite two situations that I think are worthy of close consideration, particularly because they seem to be sensitive to the pipeline problem.

The first is Georgia. That state's university system has a process, the "rising junior" test, whereby there is concern for what happens after the general education phase. A pattern of competency tests also has been developed for the end of the certification process. The tests developed in Georgia are interesting in that they are not the types of tests that describe in general what one knows about the field of education or the general competency within a particular area, such as mathematics. Georgia defines those tests in this fashion: they will be measures of the skills required to teach the subject matter at the level the teacher is seeking certification. In other words, the test that one might take in planning to be a middle grade math teacher will be middle grade math of the kind that would be taught at that particular level. This is a different type of test than is being used in states following the National Teachers Examination (NTE) model. The difference is more than subtle; it is rather significant, particularly in terms of what you might expect in terms of teacher reaction to it.

Also, Georgia is developing an extended probationary period with careful evaluation. One of the strong points in Georgia's case is that the state's administrators are sensitive to the fact that you've got to have trained evaluators if you're going to make the probationary period work. You've got to have a process in which the evaluation is as independent of local constraints as possible. I think I need to be pointed about this, and not be as oblique as we sometimes are in education. Here is what happens. A young teacher graduates and wants to go back and teach in his or her home town. They go back and teach in a community in which the family may be well-known or influential. If the evaluation during the probationary period is left to the local high school principal alone, it is very unlikely that the student will be turned down. And you and I all know why. As a consequence, if you really want quality teachers, you will have an evaluation process which is as independent and as objective as you possibly can make it. It will not be easy to install nor will it be inexpensive, but if you really want quality teachers, then observation and the evaluation process must be carefully designed. Otherwise you are going to get about what you deserve.

The other pattern that I think is interesting is the North Carolina pattern. I say this not because I am from North Carolina (I didn't have a hand in developing the plan), but it strikes me that at this stage the state is going about it in what could be a most significant way. First of all, the plan is a result of a joint cooperative effort between the State Department of Education and the University of North Carolina system. This is unusual. There is not a legislative statutory mandate that those two groups get together; they just did. They opened up joint discussions as a result of a recommendation emanating from a study of all the teacher education programs in the state institutions. Another result of this same study was that some 50 education programs were dropped because they were of low productivity or doubtful strength.

These two agencies have met and developed a plan for improving the quality of teacher production and that plan has been endorsed by their respective boards. The plan is interesting and important at this stage because it is very comprehensive. It starts at the point of college admission and goes through the process of in-service training coupled with a long extended probationary period utilizing external evaluators. The limitation of the North Carolina situation right now is that it still is only a plan. Nothing has been implemented. It remains to be seen whether or not in implementing it North Carolina will put in the specific procedures that would seem reasonable as a part of that plan, but at least they

are starting with what is a good comprehensive base, one that looks at the total system and has identified most of the key issues and key stages where a significant impact on policies could occur.

Given what is occurring in the states of the region, the next question is, What do all these approaches have to say to someone who is thinking about making changes in the certification process in his state? I can summarize my impressions very quickly.

> ". . .if you really want quality teachers, you will have an evaluation process which is as independent and as objective as you possibly can make it."

The first thing, I think, is to consider very carefully what Governor Graham said – it is probably not wise for the legislatures to attempt to design the certification process in detail. The process is a complex one, an involved one, and attempting to design the full program is not where the legislature can have its greatest and most important effects. The legislature's most important effect is at the policy level. That is, making it clear to everyone involved with this process what it is the legislature expects in terms of outcome. What quality do you expect at what cost? Within what time period? With what framework?

It is very reasonable for a legislature to ask for a plan to be developed and later to review that plan. It is a clear responsibility of a legislature to see if that plan accomplishes what the policy statements intended. But one of the dangers I think you face is the temptation to get into details. One feature may strike you as an important detail, but it may only be one detail of the entire process, and it may not be significant in and of itself. I think one of the critical roles legislators can play very early is to develop the policy that outlines the development of a comprehensive plan. Once that is done then it should be much clearer to the operating agency what is expected, what schedules they have to meet, and what requirements need to be adjusted to achieve the qualitative outcome you wish.

In developing any approach I would suggest that you pay particular attention to how the state plan is going to provide for evaluation of candidates during either the student teaching period or the probationary period after graduation. How are they going to evaluate the candidates and produce evaluations during the probationary period? Those learning and evaluation periods may turn out to be far more critical in determining final teacher quality than will any test that you insert along the pathway.

The tests are fine as a part of the process, but don't get your expectations and hopes too high in terms of what tests alone will accomplish. Try to develop tests which have a feedback capability. That is, following a teacher taking the test, be sure information can be fed back to the training institutions so that they know where they are falling short. Some tests are designed to be remarkably good in terms of providing information back to institutions. Other tests come back and tell nothing much except the failure rates of the students. I would suggest that as tests are designed, they include diagnostic features that can help the institutions respond and improve their programs.

You are probably going to have to couple onto your program somewhere a program of developmental studies. There will be many prospective teachers, particularly for the next decade or two, who have the attitudes you'd like to see in a good teacher. They will have the personality you'd like to see. They will have a willingness to accept and work under the job conditions that will probably prevail in elementary and secondary education, but at the time they enter college will not be strong in basic skills. They will have to develop these skills further. The skills will have to be developed to a point where these students can pass reasonable hurdles at the end of the sophomore year and later at the time of graduation.

That means that if you want to reach the numbers you're going to have to reach, you would be wise to install and maintain a strong developmental/remedial program. You will not be able to escape it if you want to get the teachers that you're going to need. Keep in mind that the teaching profession is increasingly unattractive and, for the last several years, teaching has not been a profession which has drawn in youngsters from the upper or upper-middle income levels. It has been a way up for students. It has been an occupation or a career field that tended to draw on the low-middle or lower income population most heavily and help people move up in terms of their societal level. Many other career fields are far more attractive now, particularly to women. One of the problems to face will be that unless that attractiveness improves, or unless shrinkages occur in other fields (which usually means a bad economic situation in both the South and the country), these may not be the numbers that are going to be needed unless an outlet is provided for those with latent talent to move up.

That will be particularly true in terms of interest in maintaining racial balance. All the data I have seen so far suggests that where there is an attempt to apply the test criteria in the teacher certification process, far greater numbers of black students than white are screened out. In some simulation cases, we have figures which indicate the entire population of prospective teachers from a predominantly black institution would not meet the new test certification requirements. That situation is probably marginally tolerable for a short period of time, but not for long. Again, it means that in terms of the development effort, something will be necessary to get the supply of black teachers needed to maintain that racial balance level needed in our schools.

In terms of higher education, let me just make this one observation. In looking at the teacher certification process, some people have the impression that higher education is either oblivious to the problem, completely indifferent to it, or would rather not be bothered at all. Let me assure you that that is not the case. Just as we are the educators of teachers, higher education is the

beneficiary of the problems of poor teacher training, because we receive the school's products as our new students.

We are very much aware of the problem. One of the difficulties, though, is that it is not easy for higher education alone to change these things. As I have indicated, it is a very complex process and, in changing, higher education needs to work very closely with legislatures in the design of these plans, so that we can have some of the positive effects that we would all like to have. Let me give you an example.

Right now most of our institutions, as you have heard repeatedly, are funded on enrollment-driven formulas. The prospect of losing large numbers of students through a test requirement is a pretty frightening prospect to most institutional administrators. It is true not only in schools of education but in the whole body of the university itself. For example, the first few years those prospective teachers are with us, they are in general education courses. They are in the schools of arts and sciences. In many cases they provide, in a direct way, the enrollment base on which we drive the upper division arts and sciences majors. Many of the state universities and colleges would have a difficult time defending some of their upper division majors in arts and sciences were it not for the number of students from other disciplines in the freshman and sophomore level courses. So, as a consequence, one of the concerns which causes higher education to move more slowly in this area is that administrators are worried about what would happen to the total institution if that enrollment downturn occurred very rapidly.

Now, why is that a worry? Well, first of all, if they have to lose faculty, many times the faculty they would lose are the ones they would hate most to lose. If we had to shrink the education faculty due to a sudden drop in enrollment, we would not be shrinking some of the old guard – we would be shrinking some of the younger and most vigorous faculty who are more familiar with current situations in the schools because they are the ones least likely to be tenured or, if tenured, have the least number of years of service.

> ". . .it is probably not wise for the legislatures to attempt to design the certification process in detail."

So, the colleges have a real concern about their ability to maintain a quality program in light of sudden, sharp enrollment shifts. A way that might be workable is to find some fiscal programmatic protection while institutions are undergoing the enrollment shift from a higher level to a lower level. That may mean program-based funding rather than enrollment-based funding.

Secondly, many parts of the institutions are not that heavily involved in certification requirements. Usually, it is the school of education working with the state department of education. Individuals such as myself are only tangentially related to the certification requirements. And yet a lot of things that legislators are talking about, and we are concerned with, are in the general education area or the main body of the university's total program. This means that any strong plans must provide for some involvement of these other branches of the university at the time the certification process is being redesigned.

A major caution – do not expect any of these changes in certification to have too great an effect on the quality of teaching unless the job rewards for teachers are improved. There is already evidence that we are seeing teachers leave the profession earlier, with shorter periods of time in actual work in the profession than before. The evidence is not complete but that is the way the trend lines look. It may be that we will have a higher teacher replacement rate to face in the decade to come. It also may mean that if the requirements to be a teacher are made more difficult to complete and if the job rewards do not go up concomitantly, then there will be fewer people that elect the teaching route. They will elect something else where the job entry requirements may be equally demanding, but the rewards may be greater.

We have already seen evidence of this, incidentally, in the last several years, apparently due directly to the reports of "teacher surplus." It is not the weaker students who are leaving student teaching – it is the brighter ones. They are the ones who get the word that there are no jobs and then turn to business and other greener fields. To bring them back is going to take something different in the way of career opportunity. And that involves improving working conditions, wages, and benefits.

The final point I'd make is this. There are some ways to deal with the new certification problem through cooperative activity that may reduce your state's total cost. It may also save you some money by letting some of the costs be spread over time rather than having them all impact in a short period. In the report (*Teacher Education and Certification: State Actions in the South*) I have mentioned several of these possibilities. You may or may not choose to do these. But this does happen to be a problem area in which every state does not need to re-invent the wheel. If one state is doing work on test objectives that may be translatable into a certain type of criterion-referenced test for your certification examination, some of those probably are going to turn out to be much the same objectives throughout all the Southern states. To put all the money in each state independently so that each may arrive at much the same end point may not be a wise course. You may be able to do it cooperatively more cheaply and then have something you could still use uniquely and independently in your own state.

There is a great deal that can be done in this area to reduce the cost, but to do it will mean that you'll have to make policy provisions on teacher certification clear relatively early and develop a comprehensive plan that can then lead to fruitful joint cooperative action.

State Higher Education Coordination and Governance . . . Revisited

Robert O. Berdahl*

I am a professional higher education board-watcher. It shows that I don't have the courage either to run for office and to take the flack that is necessary to do that, or to accept an administrative job in a statewide board and take the heat and pressure there. But as someone sitting on the sidelines watching that process over the years, it is a fascinating business to see the tugs-of-war as these boards try to operate in what is literally "no man's land" between the universities and colleges on the one hand and the agencies of state government on the other.

Robert O. Berdahl

I did my original study in Britain on the University Grants Committee (UGC), which operates in their national unitary system as a statewide coordinating board would in an American state system. The UGC chairman said sometime back that the committee found it had to operate on a principle of equal and opposite unpopularity. This meant that when an agency is in the middle, the people on the government side are sure that the agency personnel act as high-priced lobbyists and advocates for more money for higher education, but those on the institutional side are sure that the coordinating board is there to be a fig leaf for state intervention in the internal affairs of academe. So it is a very tough job to be in the middle. The turnover of directors and staff, the constant state tinkering with structure, the attempts to re-examine and alter the enabling legislation and to move from this pattern to that – all reflect that lack of stability.

Current State Evaluations in the South

Let's quickly look around the South. This year, the Florida legislature, through its conference committee, finally hammered out a bill that calls for a Joint Legislative and Executive Study Commission on Postsecondary Education. It must report by March, 1980, which is a rather short time for such a big job. That study commission will, among other things, examine the role of the

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Board of Regents as a consolidated governing board over the nine senior institutions in Florida. (The community colleges are governed separately.) It will also try to see whether there is a better pattern of decentralization to give more local autonomy to those nine institutions, and it will examine the pattern of decision making and the allocation of role and scope in planning in Florida.

". . .when an agency is in the middle, the people on the government side are sure that the agency personnel act as high-priced lobbyists. . .but those on the institutional side are sure that [it] is there to be a fig leaf for state intervention. . .".

If you have been reading your SREB publications, you will know that Mississippi has just finished a $400,000, legislatively-mandated study by the Academy for Educational Development and Arthur Andersen & Co. which examined not only the coordination, governance, and planning of Mississippi higher education but also its business operations – capital facilities, management improvements, etc. The study made a series of suggestions for improving the way the Mississippi Board of Trustees is carrying on its job. West Virginia has a similar study of its Board of Regents that is due next month from the Academy for Educational Development.

Last year in South Carolina, the Legislative Audit Council undertook an intensive study of the Commission on Higher Education. They came out with a rather detailed report – essentially critical of the planning, program review, and budget review processes of the Commission. During the exit interview included in the program evaluation process, the South Carolina Commission protested that the report was discussing only the problems and not the accomplishments. The Legislative Audit Council replied that they were there just to look at the problem and didn't really have time to praise what had been done well. I think the legislative program review movement, as it examines a whole host of public activities, has a long-range problem – that it not get the reputation for just being a "hit" process; it must give a more balanced appraisal. For instance, many of the Legislative Audit Council's criticisms were valid, but the omissions of what the South Carolina Commission had done relatively well were, I think, to be regretted. The South Carolina Commission has been altered and strengthened, and is now at work on a long-range master plan that is due in 1980.

In Alabama, where the statewide board was founded in 1969, the higher education commission's enabling legislation had a provision that every four years an evaluation process should occur, involving at least three people from out of the state. The first set of evaluations, done by three outsiders and four in-state citizens, took place in 1974 and was published in 1975. That report urged the strengthening of the Alabama Commission; but shortly thereafter, for political reasons, the Commission's budget was cut by about a third and it did not get the program review powers that the evaluation commission recommended. Four years later the second evaluation commission was appointed and I had the pleasure of serving as vice-chairman of it. Otis Singletary, President of the University of Kentucky, also served on it, as did Lou Bender from Florida State University; Dolph Norton, former chancellor of the Ohio Board of Regents; plus five Alabamians. We worked together, I must say, in great harmony and good spirits from September until March of this year when we presented our report to Governor Fob James. We again recommended the strengthening of the Alabama Commission, especially with respect to its planning and program review processes. I am happy to say that the final Alabama legislation on this has just passed and did go some of the way along the lines that we recommended. Having noted what happened to the 1975 report, we had decided to spend a little more time on political relations. We thus talked with an extensive variety of senators, representatives, and members of the Governor's staff, and then also with representatives of the League of Women Voters and the Chamber of Commerce. We also published small summary brochures, since few people would probably read the whole report.

I was amused to see in the final bill quite a few evidences of the inevitable legislative trade-offs and compromises. The legislators decided that not only would they give the Alabama Commission program approval powers over all new programs, but also that it should monitor off-campus centers, which seem to be a source of controversy around the South and elsewhere in the United States. However, there were grandfather clauses where one could see protective arms covering certain types of institutions that would qualify under this or that clause. There was also an interesting provision – Alabama is unique not only in having the only enabling legislation requiring periodic evaluation; it also is now the only state that has an executive director of its statewide board who is subject to reconfirmation by the Senate every four years. That is brand new. I don't know whether the members of the Alabama Commission will feel that their judgment is not trusted, but that is an open political issue that I will follow with great interest.

In Georgia, a Governor's Study Commission Report on Postsecondary Education has just been finished. Among the findings, the Commission noted a need to improve statewide planning across the various sectors – four-year, two-year, vocational, and proprietary education.

In Maryland, there are currently studies of higher education by a Joint Legislative Committee, a form of legislative program evaluation. I have seen the list of questions sent to the State Board of Higher Education and they were very tough questions. Evidently that state wants to look at not just the process of higher education but the quality of its performance. Therein lies the enormous difficulty of judging quality. Gordon Davies did an excellent job of saying how hard it is to

judge quality just in graduate education. Now if you ask me, a statewide board-watcher, how do you judge quality of a statewide board, it is perhaps just as difficult, because a board is a compound of personalities, politics, state history, structures, and functions. There is no way one can come up with a single formula that will allow you to apply it in your state and come out with some rating as to whether your board is good, medium, or bad.

Lessening Statewide Board Roles?

If boards are difficult to evaluate, perhaps the issue can be avoided by using other policy processes which minimize their role and importance. One obvious alternative in this regard, given the grim futures for higher education, would be to go more toward a market model. This gets the political heat off by giving money to the students, charging an economic cost per college whether it is for undergraduate or graduate education, and letting the market solve who survives and who doesn't. I was interested to hear Governor Graham mention the education parallels with the health science and the hospital world. There you have some of the problems of medical professionals running their own domain and the outside lay world not able to come in and second-guess them. Yet somehow, when they work together collectively, they become a social enterprise in the public domain that does have public policy implications requiring legislation on costs, insurance, etc. There are parallels to that in the higher education world; in some states the political temptation is to get out of the middle and to get the board out of the middle, and just let the chips fall where they may. I would suggest, while not being a professional economist, that *laissez faire* would work no better in higher education than it did in the 19th century in business and economics. The invisible hand did not work that benignly.

> "If universities start competing for fewer students, the shortcuts they might take. . . will require someone in the middle. . . to set fair weights and measures. . . ."

If universities start competing for fewer students, the shortcuts they might take concerning the lowering of standards, misrepresentation in college catalogs, watering down of curriculum and grades, will require someone in the middle between them and the direct state political forces. Someone in the middle will be needed to set fair weights and measures, to keep truth in advertising, to fine-tune the relationship between costs and student aid, and to monitor overall manpower needs. Even though it might be politically attractive in the sense of getting some pressures off those people in the middle, I don't think the market mechanism in its pure and simple form is the answer.

Some mixed process whereby these statewide boards, whether coordinating or governing, learn to use market elements may well be done. I think that statewide evaluations of these boards would want to look at whether or not they are imaginative in this regard. Governor Graham's chapter in my book* a few years back made a very naughty suggestion: he said, go five years back and examine the board's minutes and plans and see the extent to which they anticipated the big issues that are now in front of the states. Few of us would survive such *post hoc* evaluation of our foresight five years back because we have very few good prophets. Yet, to some extent boards must get away from their preoccupation with immediate operational worries and try to look further ahead, not only to the issues of tomorrow but even the day after. It would be another sign that the board is a healthier board than one that is just bogged down in day-to-day, month-to-month operations.

Evaluation Processes

If, then, statewide boards will still retain important functions, even in mixed systems using more market forces, we return to the need to provide a fair evaluation process for them. Let me suggest that there should be different patterns for it. First, one would want to *look backwards,* in the sense of seeing what the enabling legislation has given as the responsibilities and powers of the board. Here the old cliche from public administration would apply: "Powers must be commensurate with responsibilities." It is unfair to tell a board that it has done a poor job if it had been asked to promote quality higher education in a state, and then was sent in to its job with very meager powers.

But looking backwards only is not enough: it is possible that the original legal charge was inadequate, or that over time the problems and goals have to be altered. Therefore, just a backward-looking evaluation of what the enabling legislation was and how well the board implemented it, would be inadequate. Ideally, you should also *look forward and outward.* By forward I mean that you would try to look at emerging problems that lie ahead in that particular state and then make recommendations for the nature of the board that can meet those new problems, i.e., whether it has the right powers, structure, functions and leadership. A board may have met its earlier problems well and still be inadequate in the face of serious new issues.

Furthermore, the evaluation ought also to look outward. That is where people from out-of-state or knowledgeable about those developments offer examples which may or may not be relevant, but at least broaden the choices and range of thinking, both about the kinds

Evaluating Statewide Boards, New Directions in Institutional Research, No. 5, San Francisco: Jossey-Bass, 1975.

of issues that may be important to address and the kinds of processes that can be used to meet the needs identified as relevant to that state. A combination, then, of looking backward at enabling legislation, forward to the emerging problems of the states, and "side-ward," if you will, at how boards in other states operate, seems to me a necessary part of the board evaluation.

I would urge also that the evaluation be done not just in an *ad hoc*, crisis-oriented manner. It is very difficult, for example, in the midst of a fight as to whether institu-

> "A board may have met its earlier problems well and still be inadequate in the face of serious new issues."

tions in Jacksonville, Miami, and Tampa are going to get doctoral programs away from Gainesville or Tallahassee to have a calm look at the role of the Florida Board of Regents. It may be that in the real world there is never a moment without crisis, in which case you just have to grit your teeth and start evaluating, regardless of the political conditions prevailing. But if it were built-in, the way Alabama does in its enabling legislation, that every four years some kind of formal evaluation process would occur, it seems to me that it would at least be put on a more professional basis. I would urge also that the evaluation process include both in-state and out-of-state persons. While I am sure the consulting firms did a fine job in the recent Mississippi study, I would think that the absence of having internal state people on that evaluation process may have, to some degree, caused it to miss some subtle nuances of Mississippi politics. By the same token, I would think that if it were only an internal evaluation, it would lose something by not having perspectives from outside.

In the South Carolina evaluation, the Legislative Audit Council had a professional staff that went in and took the Commission on Higher Education apart piece by piece and put it back together. They did go out-of-state some for specific things; for example, I was asked to evaluate South Carolina's planning. It is possible if the Legislative Audit Council or program evaluation group is very good and has sufficient time, it might do the job. But so far, in Connecticut and South Carolina, I have not yet been impressed with the legislative program evaluation unit's ability to handle higher education problems. They necessarily have to bounce off from one hot public policy area to another very rapidly, and must burn out their young staff in a hurry.

In really getting the sensitive feel for what the problems in higher education are, it is crucial to avoid the temptation to apply simplistic solutions. I know legislators and governors must be tired of hearing special pleading from every area of public policy on which critical scrutiny is turned. Yet I do think that historically, constitutionally, and philosophically, higher education has a better claim to special treatment than most other areas of public policy. You can look at the state constitutions around the country – many university systems and statewide boards are in the constitution. They are given powers of corporate autonomy and internal control over personnel and finance. This reflects the fact that in the United States, even though no realist would plan to take the politics out of higher education, there are degrees of mixing and meshing the two domains, and we have felt that direct day-by-day meshing is not to be desired. Therefore, I would ask that any evaluation group would try to look at the difficult, awkward role with the state board in the middle and have more sensitivity to those basic problems and basic sensitivities in higher education.

Governors' Perspectives on Higher Education

Excerpts from

Remarks by Governor George D. Busbee, Georgia

I know that each of you has heard dire predictions about the future of postsecondary education, especially in our colleges. In many of our states, we have witnessed the advent of declining enrollments and simultaneous escalating costs. We have heard of needs for new capital construction and, at the same time, of the possibility of closing some institutions. Because of the conflicting information we all receive, I think SREB's legislative conferences are important for all policy- and decision-makers.

Governor George D. Busbee

I believe postsecondary education is at an important crossroads in its history. National polls show that only 51 percent of our citizens support education, down from 71 percent just 10 years ago.

Will our postsecondary institutions continue to drift and to lose public confidence – and the confidence of state leaders? Or will our institutions respond to the challenges by developing new instructional methods, increasing productivity, improving the quality of their products, and by better relating education to the real world?

Certainly the enrollment declines of the past few years have sent shock waves throughout our postsecondary education community. Since most of our Southern states have tied funding to enrollment, these declines are forcing a wide-ranging review of efforts in all sectors.

I think you and I have important responsibilities, however, to support the efforts of our institutions to improve their programs and to provide needed resources to support excellent educational offerings.

Where do we begin and what do we do?

Let me tell you about some steps we are taking in Georgia to help cut through the maze of concerns and problems associated with postsecondary education.

In June 1978, I asked a group of leading educators and citizens to spend a year identifying major issues and problems in postsecondary education that Georgia would need to face up to in the next decade.

Last month the Governor's Committee on Postsecondary Education presented to me a report which spells out the broad tasks that Georgia must undertake. I suspect that many of the issues brought to our attention by the committee also would fit the problems in your own states.

The committee identified one need as major and overriding. It echoed previous SREB statements that in order for states to know where postsecondary education is going, there must be statewide goals that provide a broad background against which institutions and sectors can

set their priorities, measure their progress, and report to the public.

This, I believe, is a missing link in Georgia, and one which has the potential of solving many of the problems now associated with postsecondary education.

Goals are helpful for state leaders to see clearly what our colleges and vocational-technical schools are attempting to do. Institutions can show that they are working toward agreed-upon goals, and their efforts can be translated into the appropriations process. The public needs such goals so that it can understand better what takes place in our colleges, and so that citizens can know what to expect of institutions.

In an age of increasing public demand for accountability, I think goals offer the best investment as a method for institutions to take the initiative to be accountable for efficient and effective use of state resources. Such a process can be accomplished without injuring the institutional independence which we all believe is vital to the future of postsecondary education.

To assure that statewide postsecondary education goals will be established for Georgia during this fiscal year, I have asked the Committee on Postsecondary Education to give priority to this issue during the coming months.

In this time of problems for education, I think it is especially important for legislators and governors to be heard if they believe, as I do, that there is a silver lining in the dark clouds of postsecondary education which are now hanging over us. This lining is the opportunity for colleges and schools to renew themselves and re-establish their critical role in our society. The starting place for such renewal and return to basic values must be in the establishment of and reaffirmation of what postsecondary education is, what it is about, and what it hopes to achieve. In a word – goals. When goals are clear and agreed upon, I believe we as legislators and governors will see that the resources are available for postsecondary education to get the job done.

Excerpts from

Remarks by Governor Julian M. Carroll, Kentucky

Legislators and governors perhaps recognize best that the financial resources of government are becoming more restricted as time passes. With the combination of inflation and increased demand for services, government, just like individuals or any other of our institutions, possibly has less real financial resources today to meet its complex needs than it has ever had. We must seek a solution that addresses itself to American society's most difficult problem – productivity. If we can ever solve the problem of productivity in American society, we will solve the greater part of all our problems. And the first step is for government to determine the manner in which it can utilize its dollars in the most productive fashion.

Governor Julian M. Carroll

An educated citizenry remains a key factor in our national productivity. Higher education is an integral part of our total educational structure and responds specifically to the needs of our citizens by preparing them for the work force. Higher education institutions in America have done a superb job through the years. But I fear that we may have come to expect so much of higher education in so many fields that our institutions have prepared themselves for responses far beyond many of our present day needs. We have perhaps put colleges and universities in the position of demanding far more dollars to operate than we can provide.

One result of the rapid growth period is that many of our institutions of higher education have become so structured that they do not have the flexibility to easily change their own course.

One of the problems we have had in recent years is that we have set ourselves on a course of trying to get every student who graduated from high school to enroll in a college. Unfortunately, we have so structured our institutions that the only way the dollars will flow is to get the bodies. And in the process, we have, as executives and as legislators, hamstrung our institutions to the point that they do not have either the dollars or the flexibility to change their educational offerings to be responsive to our specific needs in today's society. Yet, as executives and as legislators, we find some delight in chastising our system of higher education for its inability to respond to our present day needs – when, as a practical matter, we share much of the responsibility for this inability to respond.

We are the ones who set the funding formulas that prompted the institutions to go out and get bodies in order to get dollars. How can we solve this problem? We simply solve it with an understanding on the part of our legislators of the problem, and their willingness to help our universities, through changes in policy and law that will give the flexibility to respond to society's specific educational needs. That takes strong executive leadership. It takes strong and positive leadership from the legislature. But it also will take some admission on the part of the educational community itself of its inability to respond to present day education needs.

If we can put that partnership together, we then can solve the problem of productivity in our society. And the area of American society that disturbs me most is the continuing decline of our gross national product. There is something wrong in our American system when more people produce less. For example, if we are wasting individuals' time and precious financial resources by leading them to believe that success in life hinges on a college diploma, obviously we are not responding well to the question of productivity nor to the ability of those individuals to be productive within our society. We have to respond to the demand for labor within the society with socially accepted educational achievements that make one just as proud to be a plumber, or a mechanic, or a carpenter, or a filling station operator, as to be a computer analyst or a medical technician. We can do it within the framework of our financial resources when we create the partnership with the legislatures, and the executive branch, and the universities; a partnership that recognizes our limited financial resources and the demand within our society for higher education for some citizens, other types of postsecondary education for some citizens, and direct entry into the labor market for some high school graduates, plus continuing education to keep up with the demands of society.

When we do this, we can enter the next decade fully prepared to meet the educational needs of the people of our states.

Vocational-Technical Education

Gene Bottoms*

I want to address particularly five vocational-technical education issues.

1) Does the South have enough vocational-technical education? This is a question of accessibility.
2) What should be the nature of vocational-technical education in the Eighties and what are some of the new emphases we should be thinking about?
3) How do we deal with the relationship issues — secondary, postsecondary, vocational education, specialized postsecondary institutions versus comprehensive institutions? What should the relationship be between the two-year and four-year institutions in the area of vocational education?
4) The South has built its vocational-technical system on linking it to economic development, but as we look to the Eighties how might this concept be expanded and what might we learn from other parts of the country?
5) How do we maintain programs of high quality?

Throughout history, man has provided the primary source, the key, to economic development. Education is the most vital element for developing the "people" resource. The basis for a thriving economy is education, organization, and discipline.

As we think about the future in education, we must think about those values that have traditionally provided the strength for this nation. It seems also that as we develop people with useful skills, values, and knowledge, they represent a capital to a state. The South has considerable human capital, and also considerable human capital that is undeveloped. As this nation faces a decline of natural resources, I think we will see a greater emphasis on developing human potential.

But what about access to vocational education in the Eighties? First, work in the South will become more complicated. It will require greater cognitive, academic, and specialized skills. I suspect that as a result of recent trade negotiations, the South may continue to lose some of its more labor-intensive jobs. In their place will be more sophisticated industries requiring technical and higher levels of education. For example, as unskilled jobs continue to drop and because there is not the proportion of service jobs in the South as in the rest of the country, I suspect service jobs which require a higher education base will continue to grow.

Gene Bottoms

Both Western Europe and Japan are finding the South an attractive place to invest, for with the change in the value of the dollar they can build a plant here today cheaper than they could years ago, and that trend should continue.

**Gene Bottoms is director of the American Vocational Association.*

In addition, both the domestic investment and the home-grown industry will continue to grow in the South. We have today a growing mismatch between people and jobs. A recent survey of some 500 industries in the country indicated they were having difficulty finding advanced technical and skilled people. Part of this is due to a federal manpower policy which has ignored completely the nation's need for the advanced technical and skilled workers. There is some indication that we are beginning to move toward a more balanced policy nationally, but the movement is slight.

The South has both urban inner-cities and rural areas where youth lack access to comprehensive programs of vocational-technical education. In the South there is still a large part of the population that does not have a high school education, and there are large numbers of youth who do not complete high school.

> ". . .we may have a continued growth of jobs in this nation and not enough people to fill those jobs."

It is my conclusion that the need to expand access to vocational-technical education will persist throughout the Eighties in the South. There are certain target groups and certain communities where this issue of access may be more prevalent. We are faced with the productivity issue and the possibility of having three million fewer students in the secondary schools by 1985. Barring a major recession and with an energy policy that will lead to a gradual increase in the price of energy, we may have a continued growth of jobs in this nation and not enough people to fill those jobs.

Some have predicted that we will be importing labor to fill many of the jobs. We see this occurring in the Southwest today. The reason people are coming across the border is that they can find jobs.

One of the major causes of unemployment is underdevelopment — especially underdevelopment in education. If the United States continues to lose labor-intensive industries to the third world and to replace them with more sophisticated, more information-based industries, then a major target area for vocational-technical education must be to continually raise the productivity of adult workers.

Consider another group — the potential high school drop-out. For a long time in the South it was considered not necessary to educate all of our people through high school because jobs did not require that. There will still be a category of those jobs, but they will be shrinking in proportion. It may require some different approaches to reach that third of our high school population that we have never served very well anywhere in the nation.

Adding to this situation, census figures tell us that while the birth rate for middle income families has dropped sharply in the past 15 years that was less the case for poorer families. By 1985, the poor will make up close to 30 percent of the secondary school enrollment, where today that figure is about 16 percent. I suspect that in terms of access to programs and to different kinds of programs, this new situation will present quite a challenge.

The weakest area nationwide in vocational-technical education is in America's big cities. For many reasons, you find in these large cities an attitude on the part of business that they do not plan to expand in the inner-city area. They are having trouble finding skilled people. We know that one of the keys in holding and attracting industry is a sound educational system — one that develops the knowledge, technical skills, and values of people. We need to give serious thought to the concept of vocational-technical education in the cities. I suspect the successful concept may be similar in a sense to that of the early vocational-technical efforts in rural America, where the agricultural teacher truly tied the home, the school, and the community together. If I were to propose a pattern of education for an urban area, it would be one that seeks to achieve similar goals.

Most of these issues call for closer cooperation between Washington and state legislatures — to come back to more of a partnership approach in funding vocational-technical education. We were successful this past year in increasing federal appropriations to vocational education, but this has been a field which has received little increase in federal monies throughout most of the Seventies.

For the Eighties, I see several new areas for emphasis. As the South competes with Western Europe and Japan, I suspect that productivity and technological advancement will be increasingly critical. This will necessitate an increased emphasis on postsecondary vocational education.

The South will continue its evolution toward a job mix more like the rest of the nation. This will result in the South seeking to attract industries with the higher paying and more sophisticated jobs, and again this will give rise to expanded postsecondary vocational education. We will need to take a look not only at the jobs available today, but at areas where we must begin training for jobs, for example, laser beam technology. How many of our states have courses in laser technology today? From what I understand this will be a major field in the future, and is indicative of the kind of "risk" programs we need to prepare people for some of the advanced jobs that are coming.

> "The weakest area nationwide in vocational-technical education is in America's big cities."

As the economy of the South will continue to evolve, so will the development of our citizens. Yet education today has not served 30 percent of our citizens very well anywhere in the nation — those citizens are high school youths who drop out. We won't save them all — and I won't advocate that — but we can save a few more

of them. Here is where I really believe that state legislators ought to be talking to your Congressional delegations. I know for a fact that in Georgia and in Washington, the administration is seeking an approach to getting education more involved.

In 1977 we had passed, as part of the CETA legislation, a youth employment focus, which has emerged primarily as a public service employment basis, and has not resulted in those youth getting those jobs in the prime sector for the most part. Now the Administration headed by the Vice President, is very concerned that this be revamped and that education become more involved. We have been working very closely with them. In Georgia, for example, $28 million in federal funds comes in for programs for potential high school dropouts and unemployed youth. Take that $28 million, add state dollars, and it seems to me possible to begin to evolve a different concept of education, involving both secondary and postsecondary institutions, for that group of youth. Some of those youth come from welfare families of three generations. One of the first jobs we have to do is one of socialization, of teaching them some of the basic values in how to work. Probably the pattern of education that is going to work most appropriately is one that combines education and work, over time.

The job tax credit, in fact, is now beginning to make this possible in the private sector. A couple of states now allow some dollars to flow to local school systems so that an alternative pattern of education can be created for those youth who have dropped out. The aim is then to go out and reach dropouts, place them in a job, and pull them back to basic and technical skills. I have a feeling that a small number of state dollars might begin to lever much of that $28 million amount toward an educational program.

Another area for new emphasis seems to me to be vocational programs designed for renewal efforts in inner-city communities. The large cities of the South in the next generation are probably going to follow the same pattern as cities in the Northeast. You will have jobs leaving the inner cities, and welfare roles will increase unless we turn around the educational system there to develop the people. The older cities are losing the very jobs that their people could fill if they were developed. For example, we have one-half the vocational training station ratio in the inner city that we have in the rest of our communities. I think the new youth bill may contain some provisions, like the Appalachian approach, for inner-city development. We need to invest less in welfare-type programs and more in efforts to develop the capacities of our communities to develop their people. Last year, New York City turned away 15,000 youth who wanted secondary vocational education because the city does not have a place to train them. This same situation is true in many major cities.

Let us hope there will be some construction dollars in the new youth legislation to enable rural depressed areas and inner cities to establish ongoing capacity to develop their people.

The third issue I want to discuss is the relationship of secondary and postsecondary vocational education. It seems to me that we need to begin to think of secondary and postsecondary vocational education as a kind of developmental area, with one of the purposes of secondary vocational education being to encourage youth for postsecondary education. We ought to encourage early placement out of secondary into postsecondary programs. There has to be an advanced placement. Secondary youth ought not to be "retreaded" in those skills they have already mastered. Technical programs ought to be predominant at the postsecondary level; we should not try to offer those at the secondary level. We should not worry much about duplication of programs in the office occupational areas because, if the South is anything like the situation elsewhere, you can't produce enough secretaries and office workers from all of our institutions.

What about cooperation? I would urge you to look at Wisconsin, where they have a system in which, after 3 p.m., the secondary facilities become postsecondary facilities, coordinated by postsecondary education institutions.

Adults generally will not travel more than 15 to 20 miles to upgrade their technical competencies. It has to be in the local community. I am much impressed by how Wisconsin educators tie their facility use together for secondary and postsecondary education.

In terms of specialized postsecondary and comprehensive postsecondary, or more commonly vocational-technical schools versus community colleges, I would make a few observations.

Some competition is necessary. This past year there were a million students enrolled in private vocational schools, primarily because of the slowness in which we have expanded public postsecondary vocational education in recent years. As we look at vocational-technical schools and comprehensive community colleges, it seems that some of our states may have lagged behind in developing the more technical postsecondary institutions. There are exceptions; Tennessee, for example, has developed four specialized technical institutes that are committed to the advanced, technically skilled worker. I would urge consideration of a similar approach, especially in the large urban areas.

We also ought to encourage joint programs where the result will be a better program. Somewhere at the state level you need a single board that is looking at the vocational programs being offered, at both the secondary and postsecondary levels, or you will have a great deal of costly duplication. This is handled by states in different ways, but somewhere you must have overall planning so that you do not wind up implementing all of the low-cost vocational programs and fail to have a sufficient

> ". . .do not wind up implementing all of the low-cost vocational programs and fail to have a sufficient amount of higher-cost technical programs vital to a state's economic base."

amount of higher-cost technical programs vital to a state's economic base.

In terms of two-year and four-year postsecondary institutions we ought to create patterns of articulation, but we must be careful not to allow four-year institutions dictate what the two-year programs are to be. If that happens, two-year institutions will begin taking their cue from the four-year institutions and not from business and industry whose needs are those for which they are primarily designed.

We have a few states which will award two years of credit upon completion of programs, regardless of whether it is a community college or a vocational-technical school, and then build on that a four-year program for those who want this. One of the factors in two-year vocational programs is a number of individuals who decide once they complete the two-year program that they want to pursue a four-year degree. There

> ". . .about 10 percent of the vocational graduates in this nation wind up owning their own business. . .this is a natural base for new industry."

may be a need for some special articulation programs between two- and four-year institutions. One area is in the training of vocational instructors. Another is the area of producing the practical-oriented managers that many small companies and businesses are looking for today – not the theoretical manager, but the manager who has had hands-on experience.

It has been interesting to me to find that about 10 percent of the vocational graduates in this nation wind up owning their own business in five to ten years. As they create their own businesses and start employing people this is a natural base for new industry. If you think about that for a moment, it may very well be that a lot of the small businesses in your state are coming from the vocational graduate as opposed to the college graduate. A kind of two-year program built on this small business management may be a natural evolution for a lot of these youth who do have that desire to go into business for themselves.

In terms of vocational education and economic development – our fourth point of discussion – I would come back to investment in some developmental programs for jobs you do not now have in the state, but are trying to attract. I would urge some investment in developmental institutions in the inner cities and depressed rural areas – special institutions that link vocational education particularly to the economic development of those communities. You would do well in the South to look at a program that emerged in Minnesota, and has been adopted by some 12 states in the Midwest and Northwest. It is a program of working with a small business manufacturing owner – the employer who has five people working for him, or 10, or 15. It is not a program where you enroll these individuals into a three-month course; it is a program based on the ag-extension concept. The vo-tech school employs a person who works with 30 to 40 small businesses that are about to go under – over a period of about three years – to improve their marketing know-how, to help upgrade their workers, and to improve their financial bookkeeping. This proved very successful in the survival of those businesses, and as you well know most new jobs in this nation come from small businesses, not the large firms.

We may need to continue to intensify our efforts to work with our existing industry, particularly the small industry. It is the small industries, those that employ fewer than 100 people, that do not have directors of training. They are the ones that are having difficulty surviving. It seems to me that in terms of economic development, we do more for the country by assisting them.

My last issue is maintaining vocational programs of high quality. Whatever governing board looks at your overall vocational and technical programs, you might have state legislation that directs that governing board to set some standards of output or quality as a basis for program continuation. These have to be flexible for different programs. A few of the states have moved in that direction, particularly as it relates to the postsecondary arena.

In recent studies of vocational education throughout the nation, it was noted that the financial system we have in most states is still based on the general education concept and is not adequate to keep the vocational-technical program current. I think we have to recognize a whole series of forces that are driving changes in technology in this nation – energy, environment, competition, and that some of our vo-tech programs are going to be preparing folks for the jobs of the Seventies and not the Eighties unless our instructional media is upgraded.

It may very well be that we need to look at the possibility of a state-level industry/education council. This council would look at the state system of vocational programs with a particular purpose of keeping them on the cutting edge – to advise you of what it is going to take to keep them there.

In summary, there are several policy implications that I would draw. I would urge you, as state legislators, to become more aggressive with the goal of levering some federal manpower dollars that are very short-term in nature toward some intermediate and long-term state goals.

I would urge you to push for the kind of policy that continues investment in developmental ventures, and in vocational programs designed to keep the state reaching out in terms of economic development.

Look at a state allocation formula that would encourage local school systems and postsecondary institutions to reach out to the school dropout. That's a great source of talent that must be developed.

Work for financial reimbursement procedures or policies that encourage joint programs among institutions. In the long run, that will save the state tax investments.

In some way, the state and federal governments through a partnership are going to have to deal with the inner cities, and the remaining rural depressed areas that

we have. As you well know, there is a great movement of jobs to rural America.

As we look to jobs in the Eighties (and look at what Japan has taught us in terms of jobs), we ought to encourage in all of our vocational programs an entrepreneurship spirit in our youth. I can remember my father feeling that the thing next to welfare was having to work for another man. He just refused to do it. If he couldn't make a living on his own, through his own ingenuity, he just wasn't quite a man. Now that was forty or fifty years ago. We have almost reversed that today. We have constantly raised the question in the minds of our youth – who are they going to work for? Now the nation may have a capital shortage, and much of what we read indicates that, but still we seem to be asking our students the wrong questions. We may have lost this vision of self-employment on the part of our youth. Our education system must begin to provide the kinds of experiences that will cause our youth to examine the self-employment option.

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